UNIVERSIDADE CATÓLICA PORTUGUESA

Dishonesty and unconscious mind processes:

Effects of mood induction by news

Final work - Dissertation
Universidade Católica Portuguesa
Master in Management

by

Inês Melo

supervised by
Prof. Dr. Carlos Eduardo Evangelisti Mauro

Católica Porto Business School
April 2016

Acknowledgements

"One of the big lessons from behavioral economics is that we make decisions as a function of the environment that we are in."[1]

I would like to thank my parents, my admirable brother and his lovely guide dog, for their unconditional support and unbeatable kindness throughout this long journey, as well as all my family and friends which always guided, criticised and supported me.

I would also like to thank my supervisor, Professor Carlos Mauro, for his guidance throughout this work, making the process always interesting and challenging. I greatly benefited from his advice and encouragement to always choose something which amuses me, allowing me to be creative and openly hearing and discussing my weird and crazy ideas. I am also grateful to André Marques for his valuable suggestions, support and dedication during the experiment and subsequent phases. Throughout this work, I also had the privilege of deeply learning and exploring Qualtrics and SPSS.

I also thank all my Master in Management colleagues for their gentleness. Católica Porto Business School, due to the sympathy received from almost every professor and staff member in these 2 years.

I am also grateful to all the authors, especially Dan Ariely, which helped and inspired me to complete this dissertation.

[1] Ariely (2016).

Resumo

O presente trabalho analisa a relevância dos processos automáticos e inconscientes do pensamento, em contraste com o modo racional e consciente, tendo como base a caraterização de Kahneman (2011) de dois modos de pensar (sistema 1: rápido; sistema 2: lento). A dissertação tem como tema principal a desonestidade, fundamentada no conjunto de fatores que propiciam o comportamento, descritos por Ariely (2012), bem como na proposta de modelo de Moore e Gino (2015), que considera o conjunto de processos psicológicos e inconscientes ligados ao comportamento desonesto/não ético.

No contexto de tomada de decisão, os indivíduos nem sempre agem da forma mais racional. Muitas vezes, são influenciados por empurrões subtis e processos mentais inconscientes, que propiciam diferentes caminhos e acarretam consequências.

A experiência realizada no âmbito da presente dissertação pretende examinar os efeitos da indução de estados de humor pela leitura de notícias, e a sua influência nos juízos de valor, tendo como base o tema central da desonestidade.

Baseado-se na literatura académica, o estudo abarca as recentes descobertas realizadas no âmbito da economia comportamental e desonestidade, revelando as principais motivações que levam as pessoas a serem desonestas e possíveis formas de restringir este comportamento.

Os resultados obtidos demonstram que as notícias positivas/negativas induzem estados de humor ou disposições positivas/negativas, e que, perante um estado de humor negativo, os indivíduos produzem juízos de valor na mesma direção.

Palavras-chave: dishonesty, cheating, affect, emotions, unethical behavior

Abstract

This work analyses the importance of automatic and rapid processes in people's thinking, in contrast with rational, slower mindsets, using Kahneman (2011) characterization of two systems (system 1: fast; system 2: slow), Ariely (2012) dishonesty main drives and Moore and Gino (2015) psychological framework of unethical behavior, considering the importance of non-conscious processes.

People do not always make decisions and judgements in conscious ways. Sometimes they are guided by unaccountable cues and thoughts, leading them to different paths and consequences.

The experiment of this work examines the effects of mood induction by the news upon individuals' judgements regarding dishonesty.

Based on the academic literature, this work analyses the background of behavioral economics and dishonesty, the underlying aspects and motivations that causes people to cheat and ways to improve one's understanding in order to restrain dishonesty.

The results suggest that the positive/negative news primes positive/negative moods, and, when in a negative mood, forms subsequent judgements in the same direction, comparing to absence of any news.

Keywords: dishonesty, cheating, affect, emotions, unethical behavior

Index

List of Figures

List of Tables

Introduction

This dissertation focuses on dishonesty behavior and unconscious processes of mind, discussing the ways in which behavioral economics can be enriched and expanded from it. The work culminates with an experiment characterizing the non-conscious effects of incidental feeling states in the reading of news.

This introduction details the personal motivations that led to this dissertation, contextualizes and presents the aims of the work, as well as a brief summary of the structure of the following chapters.

Unethical behavior is not easy to explore, due to its complex nature and the tricky and creative ways people use to justify their own behaviors (Ariely, 2012; Moore & Gino, 2015). Unethical behavior can be manifested in a lot of contexts and in a variety of ways (Ariely, 2012). A deeper understanding of people's mind, both rational and irrational ways (Kahneman, 2011), can impact the explanation and even the mitigation of this phenomenon. Furthermore, business organizations, private institutions and governments can have a relevant role to reduce dishonesty and affect people's mindsets just with simple acts and clues (nudges), (Thaler & Sunstein, 2008).

I found behavioral economics a very appealing area, due to both its ever growing importance to understand a more and more self-centered society and also my personal interest, curiosity and inclination towards a more psychology based field.

Furthermore, dishonesty is a very controversial theme, with tremendous and irreversible consequences (see Ariely, 2012; Monks & Minow, 2008; Moore &

Gino, 2015), so many times prompt by singular seemingly innocent behaviors. The importance and magnitude of a dishonest behavior, attitude or mindset and its consequences nowadays represent a very serious problem and a strong challenge in every field, from finance to medicine, from politics to sports, from environmental questions to war.

The work is structured around two research questions intended to be answered, in order to understand the impact of quick and irrational responses concerning dishonesty:

- To what extend are unconscious processes important in thinking?
- Can different news prime individuals to different moods and, consequently, change their perceptions of dishonesty?

Besides this introductory chapter, this work is divided in the following sections:

The first chapter comprises a literature review on the topic of behavioral economics, as a school of thought, pretending to extend simplified models based on stricter rationality assumptions; followed by a presentation of a dual system, with two subchapters, system 1 (2.1.) and system 2 (2.2.), with Kahneman (2011) most relevant contributions.

On chapter 3., the focus shifts to dishonesty, with a definition of ethical behavior and attempts to characterize the bounds on defining dishonesty. The two subchapters present a general background of dishonesty (3.1.), making evident its importance in nowadays and the magnitude of the behavior (3.2. Little vs large acts).

The following chapter (4.) presents ethical and unethical behavioral models, concerning both rational and non-rational perspectives along time. Recent research on unethical workplace behavior stated the influence of affect, intuition,

physiology and identity over decision-making and behavior (Moore & Gino, 2015). A lot of non-conscious processes affect the way people approach, lead and internalize moral choices, challenging the former rational view, which only comprises conscious processes of mind.

Following, Ariely (2012) presents the fudge factor theory (5.), enhancing the importance of self-image and how selfish people can be.

The subsequent sixth chapter briefly presents types of dishonesty, analyzing contexts and examples of the behavior, experiments regarding it, the role of unconscious processes, the extend of the behavior in society and ways to curb dishonesty. The types of dishonesty are non-monetary objects, conflicts of interest, creativity, fakes (with a sub-subchapter regarding the effect over time, 6.4.1. What the hell effect), cheating ourselves, temptations and cheating in a society.

In the seventh chapter, after a brief contextualization, an analyses of moral reminders is established, as a positive finding to restrain dishonesty, represented by religious reminders, symbols and the what the hell formula with resetting approaches and redemptive behaviors.

The following chapter (8.) analyses choice architecture as a way to make subtle changes in organizational contexts, with large outcomes, analyzing the power of nudges, framing and priming effects. Following, ninth chapter comprises the purposes of this dissertation and experiment, presenting solid literature concerning affect, with two frameworks, a general valence-based and a specific appraisal-tendency (9.1.); followed by definitions and discoveries regarding mood and priming effects (9.2.).

Next, the methodology and results present the conduction of an experiment under the dishonesty topic, with subsequent discussion. The discussion includes theory that supports empirical findings in the experiment and propose avenues of future research. This dissertation closes with the conclusions of the research,

as well as the limitations, extensions and further suggestions that result from it. The References' and Appendices sections are lately presented.

Literature Review

1. Historical Context of Behavioral Economics

Most of the ideas in behavioral economics have their roots in neoclassical economics, a century ago. Back then there was no psychology as a field of study and some economists began to be labeled as the psychologists of their times (Camerer & Loewenstein, 2004).

The history of economic thought has its roots in some intuitions underneath the prevailing development of mathematical and rational tools concerning economic analysis, consumer theory and general equilibrium (Camerer, 2005).

Adam smith, notable philosopher "the father of modern economics" (The Economist, 2013) is known for the concept of the "invisible hand" and "the wealth of nations". His well-known book, "The Theory of Moral Sentiments" was an outbreak full of insights and perspectives about human psychology and individual behavior, equivalent to dual-process frameworks (Camerer & Loewenstein, 2004).

"We suffer more... when we fall from a better to a worse situation, than we ever enjoy when we rise from a worse to a better" (Adam Smith, as quoted in Camerer & Loewenstein, 2004, p. 4). These sort of economic/psychological observations were foreseeing later developments in behavioral economics. In the above example, the belief from that time of a disproportionate aversion to losses ended up being the central feature of Kahneman and Tversky's prospect theory, in the 20th century (as cited in Camerer, 2005).

Jeremy Bentham gave birth to the utility concept, the foundation of neoclassic economics (Camerer & Loewenstein, 2004). From there, he had some valuable draw on psychological intuition, filling the concept with an affective base, "an hedonic calculus of pleasure and pain" (Slovic et al., 2002, p. 331). His research, according to Loewenstein, was enriched with some psychological fundamentals and determinants of utility, some of them starting to be appreciated years later (as cited in Camerer & Loewenstein, 2004).

The writings of economists such as Irving Fisher and John Maynard Keynes, in the beginning of the 20th century, also introduced some rich speculations about people's feelings about economic choices and decisions (as cited in Camerer & Loewenstein, 2004).

In spite of some psychological insights, at the turn of the 20th century, psychology was just emerging, unstable and not that scientific to be pondered as a foundation for economics (Camerer & Loewenstein, 2004).

Behavioral Decision Theory emerged as a follower of economics, rooted on highly analytic concepts and deriving from probability theory and statistics (Slovic et al., 2002). Any attempts for more psychological models of information processing were still insufficient, as they were predominantly analytical, rather than affective (Slovic et al., 2002).

The dominant school of thought was constructed under the rational choice theory, which assumes complete, stable and transitive preferences (Britannica, 2015). The idea behind it is the figure of homo-economicus (Camerer & Loewenstein, 2004): a rational agent that takes into account all the available information, optimizing his expected utility and welfare, no matter what other actions or preferences are (Britannica, 2015).

Bruni and Sugden in the early 1990's, helped to solidify the idea that Vilfredo Pareto – a prestigious economist, political scientist, and philosopher (Britannica, 2014) - advocated for a divorce between economics and psychology, while doubting Bentham's version of utility and extravagant assumptions (as cited in Camerer, 2005).

As a consequence, by the middle of the century, discussions of psychology were visibly disappearing (Camerer & Loewenstein, 2004), underlying a strong criticism for solid academic psychology and behavioral insights.

Meanwhile, throughout the second half of the century, many researchers were drawing heavily on psychological intuitions (Camerer & Loewenstein, 2004).

A fair amount of books and articles by Katona, Leibenstein, Scitovsky and Simon, studied the importance of psychological measures and bounds on rationality (as cited in Camerer & Loewenstein, 2004). But, even though they attracted a lot of attention, they "did not alter the fundamental direction of economics" (Camerer & Loewenstein, 2004, p. 5).

It was when principles of utility maximization appeared to be descriptively inadequate, that Herbert Simon (as cited in Camerer & Loewenstein, 2004) oriented the field towards problem solving and information-processing models, based upon the overall concept of bounded rationality, crucial for the development of behavioral economics (Slovic et al., 2002).

More developments into the emergence of behavioral economics appear, with emphasis on the quick acceptance of expected and discounted utility as normative[2] and descriptive models of decision making (Camerer & Loewenstein, 2004) under uncertainty and intertemporal choice, respectively.

[2] Normative model refers to how things should work according to an assumption or standard (Business Dictionary, 2016), the ideal judge or decision that people should have (Lerner et al., 2014).

In their work, Camerer and Lowewnstein (2004) clarify that once economists realized and accepted anomalies as counterexamples that could not be forever ignored, developments in psychology showed new up-coming directions- Beginning around 1960, cognitive psychology was being dominated by the metaphor of the brain as an information-processing device instead of a simple stimulus-response machine (Camerer & Loewenstein, 2004).

Some psychologists began then to look at economic models as a benchmark against which to contrast their psychological insights, with special focus on Amos Tversky and Daniel Kahneman (as cited in Camerer & Loewenstein, 2004). Their contributions were one of the more influential ones in the field of decision research, due to their two complementary perspectives: the logical and more theoretic Tversky, and the intuitive, more perceptive Kahneman (Kahneman, 2011).

By 1974, they published a scientific article, "Judgment Under Uncertainty: Heuristics and Biases", (as cited in Camerer & Loewenstein, 2004) later recognized as showing important evidence concerning deviations from statistical principles in reasoning and judging, the so called heuristic mental shortcuts (Tversky & Kahneman, 1974).

The article emerged as the result of a famous debate in which they questioned if people are intuitive statisticians as they are good intuitive grammarians (a child at age four can follow rules of grammar in her speak even not having an idea they actually exist). Their subjective judgments were signing for a negative answer but it proved to be wrong (Kahneman, 2011).

What really causes people to prevent the outcome of uncertain events such as the guilt of a defendant or the outcome of an election (Thaler & Sunstein, 2008)? What is it that determines the thoughts and believes on the judgement of normal people?

To answer these questions the researchers assigned probabilities to events, forecasting the future, assessing hypotheses, and estimating frequencies, allowing them to find a limited number of shortcuts to intuitive thinking – heuristics (also known as rules of thumb).

But what does this really mean? It means that our judgments of probability usually result from rough-and-ready estimation procedures – heuristics. They may substitute a response, which is easily and quickly computed, for the one that was requested. It is more accessible and more easily comes to mind. In general, these heuristics are quite useful and effective, but they deliver an outcome that deviates us from the rules of probability, leading to severe and systematic errors (also known as cognitive biases). (Frankish, 2010; Kahneman, 2011).

Let's take a simple illustration of judgement by representententativeness (one of the heuristics studied by them). When people read a simple case of a random gentleman, characterized as "(…) shy, withdrawn, invariably helpful, but with little interest in people, or in the work of reality" (Tversky & Kahneman, 1974, p.1124), what profession is more probable to be described? A librarian or a farmer? People assess the probability by the degree to which they think it is representative of, or similar to some stereotype. In this case, they use resemblance as a simplifying heuristic to make a difficult judgment, associating the gentleman's personality to one of a stereotypical librarian. And this is made, even knowing that there are twenty male farmers for each male librarian in USA. With that many farmers, it should be more probable that the described gentleman is a farmer worker; however, the statistical considerations are ignored in the predictions, biased by the power of resemblance (Kahneman, 2011).

And this is not only applicable to laymen, it was also found that experienced researchers are also prone to the same biases when thinking intuitively (Tversky & Kahneman, 1974). Actually, very few people can discover the principles of sampling and regression on their own because they simple not attend to. The

relevant instances are just not code appropriately; they are not natural to think about and this lack of an appropriate code is what helps explain why people do not detect the biases in their judgements of probability (Tversky & Kahneman, 1974).

Hitherto, analytic thinking was seen in a pedestal and portrayed as the personification of rationality (Slovic et al., 2002), whereas affect and emotions seemed to interfere with reason. The dogmatic assumption, prevalent at the time - that human mind is logical, rational, with very solid thinking and with emotions playing just a break in rationality - was being challenged. Tversky & Kahneman believed in a "machinery of cognition rather than (…) corruption of thought by emotion" (as quoted in Kahneman, 2011, p.11), admitting that our minds are susceptible to systematic errors, an idea now generally accepted[3].

Biases of intuitive thinking have been used productively in many fields, including medical diagnosis, legal judgment, or philosophy. For example, in policy, the availability heuristic helps explaining why some issues are more salient in the public's eyes. It has to be with the way they stay in our memory, explained by the extent coverage in the media. Frequently mentioned topics populate the mind as others slip away from awareness. The populated topics that media choose to report populate the view of what is currently on the public's mind. Let's take Michael Jackson's death for example, so frequently mentioned and populate in all over the television channels' reporting (Kahneman, 2011).

Then it came the famous cited paper "Prospect theory: decision making under risk", latter published in the technical journal Econometrica, one of the foundations of behavioral economics (as cited in Camerer & Loewenstein, 2004).

[3] At the time the idea was criticized as suggesting an unfairly negative view of the mind.

It describes a theory of choice, a psychological theory of how people make decisions about simple gambles, testing whether our intuitive preferences conformed to the logic of choice. Again, as in judgment, we witnessed that intuitive preferences violated the rules of rational choice, reporting systematic biases in our own decisions (Camerer & Loewenstein, 2004; Kahneman, 2011).

This was crucial to deviate from the stuckness on the concept of homo-economicus: the idea that humans always act rationally.

Following on from that, there were plenty studies with this line of thought, shaped by psychological discoveries of recent decades. They begin with some normative assumptions (for example, Bentham's expected utility concept, something indubitably used by economists); then, try to identify anomalies (violations of the assumptions and models) and rule out alternative explanations. Passing through the period of inspiration and creation of alternative theories, they end up with a construction of a behavioral economic model, with behavioral assumptions, implications and tests (Camerer & Loewenstein, 2004).

Even though much of the empirically-driven behavioral economics emerged as the study of deviations from rational-choice principles (Camerer, 2005), it uses evidence from psychology and other disciplines, increasing the explanatory power of economics by providing it with more realistic psychological foundations (Camerer & Loewenstein, 2004).

The aim is to inform models of limits on rationality, willpower and self-interest, to explain anomalies, make new predictions and explore their implications in economic aggregates. At its core is the conviction that increasing the realism of the psychological underpinnings of economic analysis will improve the field of economics in its own terms. New generation of theoretical

insights and the construction of better predictions of field phenomena will allow better policy suggestions (Camerer, 2005; Camerer & Loewenstein, 2004).

Behavioral economics simply rekindled an interest in psychology that was put aside when economics was formalized in the latter part of the neoclassical revolution. As said before, many of those familiar economic distinctions do have something of behavioral content—they are implicitly behavioral, and can surely benefit from more explicit ties to psychological ideas and data.

All this new knowledge to economics doesn't imply a wholesale rejection of the neoclassical approach. Camerer and Loewenstein (2004) concluded that the neoclassical theoretical framework, based on concepts such as utility maximization, efficiency and equilibrium, provides solid predictions, assumptions, applied to a complexity of behaviors. Then there's just a relaxation on the assumption of perfect agent rationality. Like perfect competition or information, this assumption was a useful limiting case on economic theory.

2. A dual system

Recent developments in cognitive and social psychology contributed to the understanding of how the mind and, specifically, intuitive mind works (Kahneman, 2011). Long-held beliefs that ethical behavior was driven primarily by controlled and rational cognitive processes are being toppled by a set of challenges. These challenges are shifting how we understand moral behavior in a fundamental way (Moore & Gino, 2015).

A broader conception of heuristics are focusing on the role of emotions, representing a potential to create a paradigm shift in decision theories. "Hence, in order to have anything like a complete theory of human rationality, we have

to understand what role emotion plays in it." (Simon, as quoted in Lerner et al., 2014, p. 33.2).

When confronted with a problem, the machinery of intuitive thought does a spontaneous search for an intuitive solution. But it fails sometimes, "switching to a slower, more deliberate and effortful form of thinking" (Kahneman, 2011, p. 14).

The distinction between two basic modes of thinking has been explored by many psychologists. Actually, long years ago, Freud presented us a pre-modern contribute about the unconscious (Frankish, 2010), sustaining there's two different modes in which human mind operates: an unconscious (holding on associative primary processes) and a conscious one (with logical secondary processes.

A few years later, in 1994, Epstein (as cited in Slovic et al., 2002) mixed up Freudian psychodynamics with modern theories of the cognitive unconscious, characterizing an experiential mode vs an analytic/rational one (Frankish, 2010); for Loewenstein and O'Donoghue, the systems are deliberative and affective; Benhabib and Bisin consider the systems as controlled and automatic; for Fudenberg and Levine they are long-run (and controlling) and short-run; for Bernheim and Rangel they are named as hot (automatic) and cold (as cited in Camerer, 2005). With Daniel Kahneman, in 2003, it emerged the metaphor of two agents/characters of mind – System 1 and System 2, which respectively produce fast/intuitive and slow/deliberative thinking (as cited in Camerer, 2005).

All these models are more alike than they are different. The core is in the everyday differences between intuition and reason, "the former immediate, quasi-perceptual, sensitive to subconscious cues and sometimes biased; and the latter slow, effortful, explicit and more cautious" (Frankish, 2010, p. 915).

Researchers have been proposed dual-system theories of reasoning on a series of aspects about human cognition. Since deductive reasoning, until learning, memory, decision making or social judgement and cognition, mental duality posits distinct attitudes, as explained later (Frankish, 2010).

2.1. System 1

Let's imagine we see a woman's face with an angry expression, as below.

Figure 1: Image of an angry woman (Broadly, 2015)

At that point, we sense, with no effort or voluntary control that she's mad about something and some bad words are possibly coming from her mouth. And we do this automatically and quickly, with no intent to assess her mood or anticipate what she's about to do. It just happens, and that's what we call intuitive thinking and an instance of fast thinking (Kahneman, 2011).

System 1 is an experiential mode, intuitive, automatic, natural, and based upon images to which positive and negative affective feelings have been attached through learning and experience. It is affective, it makes associative connections and it has rapid processing (oriented towards immediate action).

System 1 does not use working memory, it is implicit, non-verbal, being shared with animals (Frankish & Evans, 2009). It presents us to senses, for example, it orients to the source of unforeseen sounds, detects when one object is

more distant than other and automatically answers if someone asks what is 2 plus 2 (Kahneman, 2011).

It encodes reality in concrete images, metaphors and narratives (Slovic et al., 2002). If we see a cute little puppy, we unconsciously smile; just as fast and uncontrolled as when we contract our belly when someone hits us with a ball unexpectedly (Thaler & Sunstein, 2008).

Heuristics and cognitive biases also occur on the surface of this type of system. The previously mentioned representententativeness heuristic (in which people apprehend that a specific description resembles a stereotypical librarian) is, indeed, ascribed to the automatic activity of system 1 (Frankish, 2010; Kahneman, 2011).

Fast thinking also includes the entirely automatic mental activities of perception and memory, the operations that enable us to know there is a lamp on our desk or retrieve the name of the capital of Portugal (Kahneman, 2011). Indeed, Leibniz proposes that people may retain information that influence their thoughts and behaviors, even if they cannot consciously remind (as cited in Frankish & Evans, 2009).

One of the main characteristics of system 1 is its affective basis and the importance emotions have in reasoning. Emotion now looms much larger in our understanding of intuitive judgments, information processing and decisions than it did in the past (Kahneman, 2011).

The neuroscientist Antonio Damasio had published twenty years ago a landmark book where he relates cases that support his idea about a strong partnership relationship between reason and emotion at the moment of any random decision (as cited in Moore & Gino, 2015). The author, based on his study concerning how decisions get worse when emotional abilities are injured, was

the inspiration for further research in the neuroscientific field of decision-making. Accessing to our vulnerable inner world (emotions), Damasio had explored what outcomes we value and how this influence the strength of rationality. In fact, "our capacity to deliberate depends on the ability to generate appropriate emotional responses to stimuli" (Moore & Gino, 2015, p. 244).

Besides, although analysis is certainly important in some decision-making circumstances, reliance on affect and emotion is a quicker, easier, and more efficient way to navigate in a complex, uncertain, and sometimes dangerous world (Slovic et al., 2002). The affect heuristic brought up interesting implications for behavioral economics, admitting rationality fails in judgement and decision making. Depending only on reason represents a serious problem, since it does not dictate our preferences, nor even direct our moral behavior (Kahneman, 2011; Moore & Gino, 2015).

People are guided directly by non-deliberative preferences, the feelings of liking and disliking and simple trust. Our emotions indicate what outcomes are valued, and it happens even if we employ conscious reasoning in their aftermath (Kahneman, 2011; Moore & Gino, 2015). "Reason may be required in order to evaluate the ends we set for ourselves, but our emotions determine which ends we prefer" (Moore & Gino, 2015, p. 245).

The way emotion participates in moral decision-making varies as a function of the type of decision it is, and one's preferred outcome, marshalling different types of processing.

Greene et al. (as cited in Moore & Gino, 2015), in their prominent work at 21 century, claimed that emotion and automatic processing are more central in arriving at decisions that are personal (i.e. where an agent's direct action may

result in serious bodily harm to a specific individual or group) rather than consequentialist[4].

Haidt characterizes non-deliberative processes as primary, affective response (which reiterates the importance of moral emotions on intuitive judgements), occuring rapidly and automatically, preceding reasoning (as cited in Moore & Gino, 2015). How easily and quickly do we sense the feelings associated with the stimulus word "treasure" or the word "hate"? Once the motivated nature of moral reasoning was questioned, the reliance on such feelings were characterizing the affect heuristic.

Moore and Gino's 2015 research deeply explored the importance of emotions in the domain of moral behavior (later explored). Horberg et al. state they act as a signaling device, pointing to specific behaviors and amplifying the strength of moral judgements (as cited in Moore & Gino, 2015). Different concerns are being created whether a person is dealing with positive (e.g.: empathy triggers compassion for others) or negative emotions (e.g.: anger triggers unfairness and injustice concerns).

The authors think a pre-requisite to avoid unethical behavior is to be able to appropriately identify other's emotions and empathize with what they are experiencing. Emotional muting limits personal responses to distress cues, compromising the ability to make appropriate attributions about other's moral emotions, therefore inciting moral violations. Actually, many jobs are designed

[4] Emotion also prevails in decisions where one arrives at a deontological or principle-based conclusion: the normative ethical position that judges the morality of an action based on the action's adherence to a rule/rules (Stanford Encyclopedia of Philosophy, 2012).

to intentionally mute emotional responses, as it is the case of financial industry professionals.[5]

Integral and incidental emotions also have their contribution on moral outcomes. Integral emotions are the ones we experience that naturally arise from the situation at hand, normatively relevant to present judgments and choices, within a consequentialist perspective (Lerner et al., 2007); while incidental emotions are not directly related to the big scenario, but are carryover from one situation to another (Lerner et al., 2014; Moore & Gino, 2015). As expected, the last ones occur on a non-conscience level. What happens is that positive or negative emotions[6] that are triggered in specific situations (e.g.: experiencing good weather, listening to music), induce reactions and judgements of unrelated topics and factors that have nothing to do with the original source (Lerner et al., 2007, 2014; Moore & Gino, 2015).

2.2. System 2

If we now look to something like "17x24", a multiplication problem, we know we need some time to achieve a result. We might then decide whether or not to engage on the effort of the multiplication, proceeding through a sequence of steps which characterize the slow thinking (Kahneman, 2011).

System 2 is analytic, deliberative, effortful, reflective, reason based. It comprehends logical connections and conscious appraisal, encoding reality in abstract symbols, words and numbers. When deciding whether to enroll in a university or apply for a job, we use this controlled system, following rules and being aware that that's happening (Slovic et al., 2002; Thaler & Sunstein, 2008).

[5] This may explain why there are so many financial scandals and shammer CEO's. Moore and Gino (2015) go further on the role of psychopathia as a lack of emotional processing, something linked to these professions, as explored on a lot of recent psychological articles.
[6] The division of emotions, characterizing a negative and a positive value of affect is a valence-based approach that admits similar effects in emotions of the same valence (Lerner et. al, 2014).

Actions like telling someone what our phone number is, or counting how many times the letter "a" appears on a text page (Kahmenan, 2003) claim for special attention and control.

With a priori reasoning based on truths, such as those of logic and mathematics, System 2 is unique to humans, conferring a different kind of mentality from other animals (Frankish & Evans, 2009). Evans purposes it manipulates explicit representations in working memory (as cited in Frankish, 2010), using logical responses which are based on information, calculation and decision (Frankish, 2010). For example, if we fill out a tax form or find ourselves focusing on the voice of a specific person in a noisy context, we are actually applying a lot of our mental resources (Kahneman, 2011).

It is a slower processing, oriented towards a more delayed action, requiring justification via logic and evidence (Slovic et al., 2002). We can say conscious reasoning is language-dependent. Frankish (2010) claims for an intentional activity, evolving the creation and manipulation of sentences and other envisions, that enable people to realize a variety of problem-solving strategies.

So, in their most ambitious form, dual-system theories claim for the existence of two different minds, each of them with different attitudes, processes, evolutionary histories and structures (Frankish, 2010). Table 1 summarizes commonly characteristics attributed to System 1 and System 2.

	System 1	System 2
Processes	Fast	Slow
	Automatic	Controlled
	Nonconscious or preconscious	Conscious
	Low effort, high capacity	High effort, low capacity
	Heuristic	Analytic
	Associative	Rule-based
Attitudes	Implicit	Explicit
	Cultural stereotypes	Personal beliefs
	Slow acquisition and change	Fast acquisition and change
	Fast access	Slow access
Content	Actual	Hypothetical
	Concrete	Abstract
	Contextualised	Decontextualised
	Domain-specific	Domain-general
Architecture	A set of systems, modular	A single system
	Parallel	Serial
	Does not use working memory	Uses working memory
Evolution	Evolutionarily old	Evolutionarily recent
	Shared with animals	Unique to humans
	Nonverbal	Language involving
	Serves genetic goals ('short leash' control)	Serves individual goals ('long-leash' control)
Variation	Independent of general intelligence	Linked to general intelligence
	Little variation across cultures and individuals	Variable across cultures and individuals
	Relatively unresponsive to verbal instruction	Responsive to verbal instruction

Table 1: General characteristics/features of System 1 and System 2 (Frankish, 2010)

What can it be the interaction of both systems?

Systems 1 and 2 are continually active, interacting in what have been characterized as "the dance of affect and reason" (Finucane et al., as quoted in Slovic et al., 2002, p. 332).

Different scholars have contested the relative influence of each side of this dual process model in controlling ethical behavior. As Kahneman (2011) minutely explains in his "Thinking Fast and Slow" book, the division of labor between System 1 and System 2 is highly efficient: minimizing effort and optimizing performance.

System 1 runs automatically, generating suggestions for System 2, that's normally in a comfortable low-effort mode. These suggestions are impressions, intuitions, intentions, and feelings. They are usually very accurate as models of familiar situations and short-term predictions. And if endorsed and adopted by System 2, these suggestions became beliefs and voluntary actions (Kahneman, 2011).

It has been proved that we cannot employ analytic thinking rationally without guidance from affect somewhere along the line. Affect is essential to rational action. Indeed, we generally believe in our impressions and act on our desires (Kahneman, 2011; Slovic et al., 2002). One limitation of System 1 is that it cannot be turned off (e.g.: if we are shown a word on the screen in a language we know, we read it—unless our attention is totally focused elsewhere).

So most of what we (our System 2) think and do originates in our System 1. But, when System 1 runs into difficulty, it calls on System 2 to support more detailed and specific processing that may solve the problem, having usually the last word (as stated on the multiplication problem example).

Rational and non-deliberative processes appear to be co-dependent and work cooperatively as often as they compete. The interplay and sense of complexity in all the connections and disconnections between the two modes of thinking enriches the automatic and often unconscious processes that underlie intuitive thinking (Kahneman, 2011; Moore & Gino, 2015).

Recent research set up a picture in which the intuitive System 1 is more influential than it seems to, and responsible for many of the choices and judgments we made, being in constant conflict and mutually influencing System 2 (Kahneman, 2011).

The effect of automatic and inaccessible cognitive processes in our behavior represents a huge challenge to our own notions of self, personal responsibility, education and environment (Frankish & Evans, 2009).

All these shapes will take form, as we will see, with practical implications on important issues like dishonesty. Common features of System 1 will help us

deconstruct a lot of the rational vision people may think they have when it comes to this controversial phenomenon.

Indeed, people do try to rationalize a lot of their moral actions, searching for all kinds of justifications within their minds or shaping the context and circumstances (Ariely, 2012; Moore & Gino, 2015). They just don't have the conscious that maybe this happens as a result of a whole set of automatic and irrational decision processes, as it will be exposed.

3. Defining dishonesty

So, what is, then, the role of both systems in dishonesty? To begin with, we should demystify what that word means – dishonesty.

"Without a universal understanding of the core dependent variable, research will remain inconsistent, incoherent and atheoretical" (Tenbrunsel & Smith-Crowe, as quoted in Moore & Gino, 2015, p. 239). But some variables are not so easy to define. The perfect definition would have to be precise, unambiguous and objective (Field & Hole, 2003). That's not the case.

In short terms, it is the simple lack of honesty, an intend to mislead or cheat, characterized in an untrustworthy, deceitful, or insincere way (Oxford dictionary, 2015). Dishonesty is a quality that begins when the truth ends, conflicting with our moral principles. But what are these moral principles limits? Does it depend on the person or situation we are talking about?

Moral principles are common to a variety of disciplines, that characterize notions about what is or what's not "ethical". Schminke and Priesemuth researched that commentators' main critic to normative and behavioral

approaches in the study of business ethics is a deep isolation in concepts between areas of knowledge, as it is the case of differences in the purpose (as cited in Moore & Gino, 2015).

Therefore, there's a lack of integration across the disciplinary boundaries, popping up an urge for a precise definition of ethical behaviors. If normative thinking has a prescriptive perspective, focusing on what ought to be (which is the domain of philosophers); social scientific approaches are descriptive, managing the reasons behind the types of choices that people actually make. Though the understanding of both approaches would be helpful in the understanding of moral behavior, the center of attention of this research goes to the behind/backstage reasons, bringing forth a behavioral ethics tradition (Moore & Gino, 2015).

Fortunately, the boundaries' fuzz is fading away in plain 21 century, with numerous solid points of agreement. To begin with, it must be settled that moral behavior claims to ethical and desirable behavior since the latin term *moralis*, a "proper behavior of a person in society" is a direct translation of the Greek *ethicus* (Moore & Gino, 2015, p. 240).

That said, we now need some common perspective of what counts as ethical or unethical behavior.

Ethical actions, in the words of Aristotle, are inserted in a virtuous life. Kant tell us it is all about being in accordance with principles that one could universalize. John Stuart Mill define these actions in such a way that the greatest number could experience the greatest good (as cited in Moore & Gino, 2015).

To avoid deep normative thought about what morally desirable means (and how the context can change the ethical status), anthropologists and psychologists (like Haidt, Graham or Nosek) have numbered some ethical domains that can

help circumscribe behaviors - the "building blocks of morality" (as cited in Moore & Gino, 2015, p. 241).

The uppermost domains in behavioral ethics are then harm and fairness. Harm stands for the way we hurt others and provoke unjust effects, manifested in theft, dishonesty or abuse. Behavioral manifestations of unfairness are all the acts that are pro bias, such as discrimination or injustice. The majority of managers characterize as deviance that harms the organization behaviors like abusive supervision, discrimination or organizational injustices. Some organizations also worry about issues like steal of money (known as theft) or time (known as social loafing), standing out the particular trouble of lies, a type of harm (Moore & Gino, 2015).

In addition to harm and fairness, morality also includes concerns about liberty, loyalty, authority and sanctity, even though some of these may conflict (Moore & Gino, 2015).

Despite being common sense, empirical evidence clarifies some doubts about "ethical behavior" (even though there's no universal definition). Yet, precision needs to be "so far as the nature of the subject admits" (Moore & Gino, 2015, p. 242).

3.1. Dishonesty background

A lot of the scandalous organizational practices have come to light in the last decade. One of the more influential was Wall Street's series of creative accounting tricks, which, with the help of inside trading, large-scale bribery of foreign officials and package/sale of toxic securities to naive investors culminate with the crash down of Enron, causing tremendous consequences (Ariely, 2012; Moore & Gino, 2015).

People saw their retirements plans being evaporated, lost their jobs, stockholders lost their investments and companies went to bankrupt (Ariely, 2012).

Other cases - like the fraudulent actions connected to the Libor payment protection insurance, Tyco or WorldCom's mechanisms to provide checks and balances - were on the headlines everywhere on the news (Monks & Minow, 2008; Moore & Gino, 2015).

The flood of corporate scandals is institutionalized on a large scale, raising a lot of problems. Whether it is in the form of deviance, antisocial behavior, misbehavior, counterproductive behavior, misconduct, corruption, sabotage, conflicts of interest, biased incentives, persuasion strategies, collaborative cheating, dishonesty is always alive in our companies (Ariely, 2012; Moore & Gino, 2015). "From banking practices to backdating stock options, from defaulting on loans and mortgages to cheating on taxes" (Ariely, 2012, p. 44).

And it is also there on a personal level. From doping to illegal downloads, from copying on a university's test to cheating to a love one, from brainwash to keeping up a facade.

If the rules are somewhat open to interpretation and people are left to score their own performance, persisting gray areas, they may cheat and blame on circumstantial factors (Ariely, 2012).

Even if it is for another person's benefit, it is still a lie. Take the case of insincere compliments, known as white lies (Ariely, 2012). They are usually pursued due to social niceties, filled of altruistic reasons, being quite justified in some circumstances[7].

[7] For instance, if someone is in a cancer treatment, we may lie in order to save some pain, helping people get through difficult circumstances.

3.2. Little versus large acts

With all these different scales, we might think financial scandals have the bigger slice. That is not true. If only a restricted bad apples were responsible for most of the dishonesty and cheating in the world, we did not had to worry that much. The problem is not confined to a few outliers. In fact, anyone can behave in a dishonesty way at any context. Whether it is with good or bad intentions, with large or little proportions, we all are liars (Ariely, 2012).

And if we are all little liars, we have the potential to be somewhat criminal. Each of an action by itself is probably not very financially significant, but together they add up to much more than it looks like (Ariely, 2012). For that reason, we might want to understand how, at the first place, dishonesty operates, being able to later control this aspect of nature.

4. Ethical behavior models

Throughout the last twenty years, management literature had mainly recognized organizational aspects in ethically problematic behavior (Moore & Gino, 2015). Dominant models of workplace unethical behavior identified a set of organizational/institutional context factors such as leadership, compensation practices, organizational policies and procedures, goals and incentives, mistreatment, and the organizational culture (Moore & Gino, 2015).

Organizational research has been able to provide more knowledge about the sources of risk, identifying the types of behaviors that harm an organization and its stakeholders (like deviance, sabotage or misconduct), inferring possible levers

of change and new ways to protect and improve spots of problems inside an organization's environment (Moore & Gino, 2015).

However, they do not reach the insight behind all the palpable behavior, the understanding in which how and why people make the moral decisions they do.

According to Moore and Gino (2015), there's a restrict number of unethical models. An emphasis goes to Rest's four-component model, framed in 1986, a deliberative model, assuming we are in control of our own actions (Moore & Gino, 2015).

The model, represented in Figure 2, postulates that ethical behavior is the result of (1) awareness (as a conscious interpretation, a moral dilemma), (2) judgment (a moral status), (3) intention (motivation), and (4) behavior (action), (Moore & Gino, 2015).

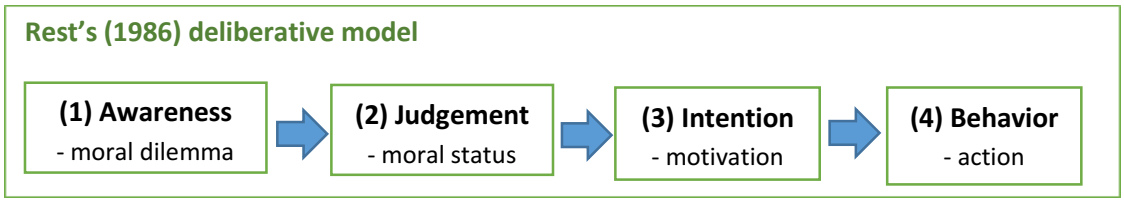

Figure 2: Deliberative model by Rest (1986).

During that period, it was an easily adaptable framework, foundation for posterior theoretical models. But the approach was guided upon a highly rationalist tradition, assuming that unethical behaviors were the result of failures in one of the four stages. Upon this logic, authors such as Kohlberg and Rest propose that if an individual's moral awareness (1), judgment (2), motivation (3), or follow-through (4), had flaws, they would be improved with more deliberation regarding moral issues (as cited in Moore & Gino, 2015).

This suggests that by moral education, enhancement of motivation, development of skills and orientation of judgement, people could avoid much more unethical behavior.

A notion of cheating is later proposed by Gary Becker, Nobel Memorial Prize in Economic Sciences in 1992 (Biography, 2015), in which people make crimes build on a rational cost-benefit forces analysis – this notion gave birth to a model on his behalf, the Simple Model of Rational Crime (as cited in Ariely, 2012). According to this rational economic model, when cheating, we do a calculation based on the pros (get rich) and cons (probability of being caught plus the expected punishment if caught). Meanwhile, there's no place for consideration of right or wrong (moral considerations), not letting any space for emotions to dictate our actions. It is simply about the comparison of positive and negative outcomes.

Again, like Rest's model, the solution to this problem seems easy: just raise the magnitude of punishment (for example, impose steeper prison sentences and fines) or the probability of being caught (for example by hiring more police officers and installing more surveillance cameras) (Ariely, 2012).

Both traditions do not take into account recent developments in behavioral economics. They are based upon assumptions that individuals have conscious control - over moral choices and behavior - and that there's stability in human behavior. Those are System 2 characteristics, which do not take into account the importance of unconscious processes of the mind (System 1). That way, they assume that moral agency's changes are a result of a long-term investment in developing moral skills, like education (Moore & Gino, 2015).

In fact, if we run a cost-benefit analysis on all our decisions and do the most rational thing, we would lock our cash in safe places all the time, being afraid

that someone would steal our belongings (meaning neighbors, maids and even familiars). And we would take all opportunities to cheat without getting caught (indeed, they are a lot in just a regular day) (Ariely, 2012).

We may then conclude that the rational economic theory about cheating assumes there's more cheat and steal than in reality. If we only acted in our own self-interest, based on perfectly notions of rationality, we would cheat in unparalleled amounts (Ariely, 2012).

Besides, if it was a simple cost-benefit analysis, people would cheat more when more money was offered (because there's an increase on the benefit), or when the probability to get caught diminished (because there's a reduction on the costs).

Although not being intuitive, Ariely (2012) proved both conditions to be wrong. He showed that dishonesty is not necessarily the outcome of a cost-benefit analysis or a steal of a lot of money; it is more often an outcome of many people who quietly justify taking a little bit of cash – an irrational tendency.

The nature of human behavior is complex, depending on a large range of situational factors that account for unequal course of actions and decisions (under the rubric of the aforementioned dual-system).

Therefore, situational factors interfere with even the best childhood or educational inputs (Moore & Gino, 2015).

Moore and Gino (2015) purpose an integrated work, with more cross-disciplinary approaches in the area of ethical decision-making. The authors believe a better understanding will be reach by building new theories, assumptions, using new tools, different paradigms, unperceived perspectives and different designs to test their hypotheses.

Moral psychology and cognitive neuroscience enable a more complete understanding of the processes underlying our moral choices, instead of only

some organizational factors that affect them. In the past two decades, the research in this field has been trying to show how these factors influence the likelihood of negative behaviors, rather than identifying conditions under which undesirable outcomes are more likely.

Stripped of a confined organizational context, psychology sees whether individuals follow through the ethical judgements they do; and how they perceive those behaviors on their own (Moore & Gino, 2015).

According to Moore and Gino (2015), besides affect[8], discussed earlier, moral behavior is also influenced by intuitive, physiological and identity-based processes, all non-deliberative and parallel to each other (co-occurring).

As from the literature, there's a close relationship between affect and intuition (most authors assume them as synonyms). In the words of Moore and Gino (2015), feelings are similar to intuitions in the way they come prior to the stage in which we deliberate about them. According to Freud, intuition is the way our unconscious mind communicate to us (as cited in Moore & Gino, 2015). But moral intuitions are introspectively opaque, since there's no awareness of them: reasons are post-hoc and have nothing to do with the genesis of intuition. Moore & Gino (2015) name this "moral dumbfounding" (p. 246), due to the stubborn and puzzled maintenance of judgements with no supporting reasons.

Intuitions have another important characteristic: they derived from deep-seated needs related to the survival of species (an evolutionary property) (Moore & Gino, 2015).

Hormones help regulating behaviors by sending signals about the type of situation someone is facing, directing behaviors in the form of physiological

[8] To simplify, in this section, the words "affect", "emotions" and "feelings" are interchangeably used. Lerner et al. (2014), in their work "Emotion and Decision Making", characterize affect as a "superordinate umbrella of constructs involving emotion, mood, and emotion-related traits", as it will be explored (p. 33.3).

responses (e.g.: cortisol is released in response to stress and it is also related with risk options and psychopathic behavior) (Moore & Gino, 2015).

Concerning unethical behavior, stress responses have a double effect, depending on the potential behavior. If people want to alleviate a stress response, knowing that lying is a stressful behavior, there will be a decrease in lying. But if the failure experiencing (stressful as well) exacerbates a stress response, there will be an increase in lying, in order to avoid the experience of stress in failure again. The goal of both behavioral reactions is to reduce stress, regardless of whether the actions are moral or immoral (Moore & Gino, 2015).

The link between physiology and affect is what makes easy to recognize emotions in others. And the way in which we physically interact with the world also has an effect on our behavior. Hume (as cited in Moore & Gino, 2015) asserts that each of us is a slave of our passions, of our physiological responses. Our actions are mediated by embodied cognition and interactions. For instance, it was found a link between expansive postures and more dishonesty (Yap et al., 2013), in the form of steal of money, cheat on a test, traffic violations, linked to a psychological state of power; as long as meditation and more honesty (Moore & Gino, 2015).

Identity also influences in a large degree unethical behavior. People usually behave as morally as the situation permits, consistently with who they are, resulting in different outcomes and boundaries around social groups. Different traits are present in the matter of what people bring to each potential moral choice, with relation to character. Each one of people's individual differences influence the proceeding. Moral traits are associated with pro-socially oriented individuals, with moral identity and moral character; immoral traits are associated with machiavellianism and moral disengagement (Moore & Gino, 2015).

This influence depends on what identities exist, how important they are to us (they can be chronically active in our self-concept) and whether our context make them salient (meaning activated in our working self-concept) (Moore & Gino, 2015).

Our identities clearly play an important role in our moral behavior, in a way that does not require conscious deliberation (Moore & Gino, 2015).

Having all the non-deliberative processes identified (affect, intuition, physiology and identity), Moore and Gino (2015) propose a disruption from the systematic way of thinking in rationalist approaches (such as Rest's framework, in 1986).

The model, drawn upon Rest's model, is extended to a better understanding of how and why people make the moral choices they do, encompassing the insights of the two systems of thought plus the non-deliberative processes mentioned above.

The integrative model tries to understand (see Figure 3): (1) how individuals approach potential moral choices; (2) what affects their ability to make and manifest moral action, and (3) what happens psychologically in its aftermath.

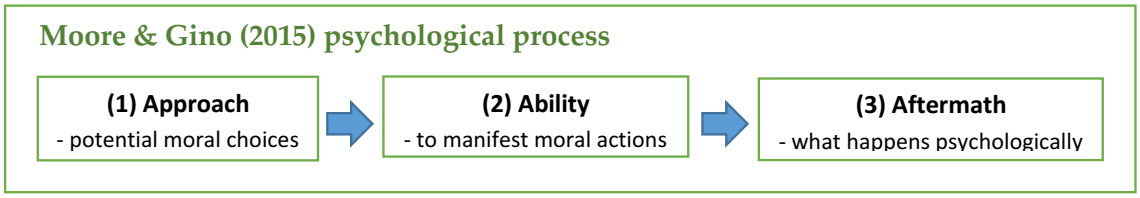

Figure 3: Psychological model by Moore and Gino (2015).

So, how do people construe and approach a potential choice (1)? Due to our bounded cognitive capacity, we limit the number of factors we focus on when making a decision, something Math and Rock name inattentional or perceptual blindness (as cited in Moore & Gino, 2015). Kahmenan (2003) also discuss in his "Thinking Fast and Slow" book how System 2 protects and attributes that much

attention to the most important and demanding activities, in spite of the active role of System 1. System 2 can, actually, be very lazy (and depleted, as we shall see), adopting a lot of the suggestions of System 1. So, different contexts and environments may direct our attention away from moral concerns (Moore & Gino, 2015).

The way a potential course of action is framed determines our responses to it. The same information can be presented in different ways, evoking different responses, with an impact on the pursued behavior. Framing effects affect our decisions, depending on manifold critical factors such as the way outcomes are described (as lost or gains, in terms of success or failure)[9], the risk/certainty of the options and the salience of positive or negative attributes of choice. Shortly, they depend on the way in which problems are stated (Kahneman, 2011; Thaler & Sunstein, 2008).

We construe our choices based on attributes and outcomes, influenced by, not only framing effects and context, but also self-interest (i.e. motivated reasoning processes) (Moore & Gino, 2015).

Moreover, as it will be explained below we are driven by the narratives we create, influenced by the direction of attention (perceptual blindness) and the construction of options (framing effects).

Taleb (as cited in Kahneman, 2011) brought up a fallacy - the narrative fallacy - in which he advocates how people are shaped by past stories, in the way they view the world and expect the future. People have the tendency to commonly approach situations in similarly ways as previous encounters - a reflection of behaviors (Moore & Gino, 2015).

[9] A study in framing effects and unethical behavior (specifically loss aversion, the human tendency to avoid losses), by Kern & Chugh, found that individuals are more likely to lie to avoid an outcome presented as a potential loss, than they are to secure an outcome presented as a potential gain (as cited in Moore & Gino, 2015).

And what affects our ability to make and manifest moral action (Phase 2 according to Figure 3)?

Firstly, there's the inherent drive to self-serving behavior. People are driven to serve their own interests without conscious awareness of it (Moore & Gino, 2015). Moral hypocrisy, as the desire to appear moral without being so, is a human predisposition, specially manifested when there's available opportunities to rationalize our selfish desires (as further explained, the presence of available justifications – the narratives we create - is quite helpful for self-serving outcomes) (Moore & Gino, 2015).

There's also an exhaustible ability to resist temptations. Many psychological studies have shown that, if we are imbibed in a demanding cognitive task, and, at the same time, someone challenges us with a temptation, we are more likely to succumb (Kahneman, 2011). We are less able to self-regulate when our decision-making capacities are, or have been exhausted by simultaneously (Kahneman, 2011) or prior tasks (Schmeichel, as cited in Moore & Gino, 2015). Indeed, ethic is a limited resource: there's a finite capacity to be ethical (Moore & Gino, 2015).

So, despite the possible approach to a moral decision, our ability to actually behave ethically when we are called to, can be compromised through mental, physical or emotional exhaustion.

And there's an additional factor (a contextual one), suggested by vanDellen, in the words of Moore & Gino (2015): "the inability to exercise self-control can be socially contagious" (p. 267).

Visceral responses (what we want to do vs what we should do) also misdirect us. That's why we create internal justifications. Actions are completely justified, as we are too depleted or afraid of anything else; and inactions are a result of a fear of the consequences in acting or a simple social pressure to conform to majority (Moore & Gino, 2015).

A summary of why people fail to be ethical, in the moment of the moral choice, is presented in figure 4. But these issues will be set out in greater detail.

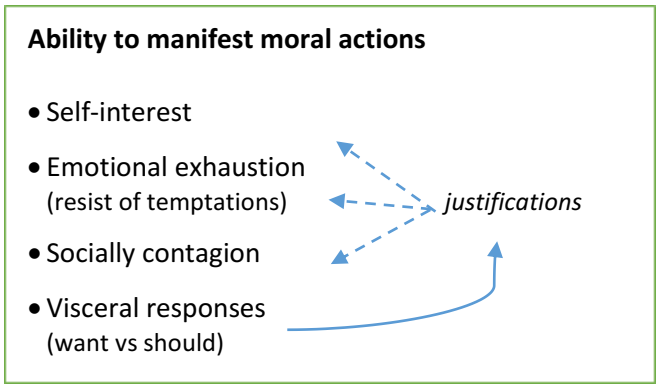

Figure 4: A summary of the ability to manifest moral actions (Phase 2 of the psychological model of Moore and Gino, 2015)

After outlining the main processes underlying moral action, what can psychologically happen on the aftermath (Phase 3, Figure 3)? How are humans' able to transform unethical in ethical behavior?

Primarily, people reflect on the individual consequences of unethical behavior (Moore & Gino, 2015). The stages to construe it begin with a continued awareness of unethical, followed by a reconstructed behavior (before engaged) and, finally, a construction of a reasonable justification (in the moment of cheating) (Moore & Gino, 2015).

In the meantime it emerges something that psychologists name cognitive dissonance, the inconsistency between our beliefs (morality) and our actions (immorality) (Moore & Gino, 2015).

So, to reintegrate how we understand ourselves while maintaining a positive self-view, Cooper inspires the need to one's change actions to better align with one's beliefs, coupled with a change on one's beliefs to better align with one's actions (as cited in Moore & Gino, 2015).

With the intention to reduce cognitive dissonance, the authors present two options: redemptive behavior, that comes with guilt (mitigate strategies regarding remedial behavioral responses, like seeking forgiveness or making amends); and a change on the understanding of the act, that comes with a set of moral disengagement techniques (in order to neutralize dissonance triggering effects). These techniques include a denial of responsibility, a trivialization in the understanding of the act or attempts to neutralize the harm people feel (Moore & Gino, 2015).

Just out of curiosity, positive spin, that we put in our actions after they occur plays into how our future approaches to new ethical choices are construed, and how we later encode it in our memory (Moore & Gino, 2015). Shy et al.' emergency body of work on motivated forgetting focuses on how engaging in unethical actions can trigger specific flaws in memory, so that we do not recall the moral rules that we have just contravened (as cited in Moore & Gino, 2015).

5. The fudge factor theory

The insensitivity to the amount of reward and eyes of other's, suggest that people have a sense about their own morality then it comes to integrity issues (Ariely, 2012). Cheating is not driven by concerns about standing out. It is connected to the amount of cheating we feel comfortable with. People cheat up to the level that allows to retain the self-image of reasonably honest individuals (Ariely, 2012). As stated before, Moore and Gino (2015) posited how important identity issues are in one's approach to moral choices. As a non-conscious process, it can be evident in different degrees in each one of us, influenced by the context and demanding different traits of our character.

Ariely (2012) offers a two-way forces view: a standard financial motivation and a psychological motivation. In one hand, we want to have our own gain and a benefit from cheating, a rational economic motivation (financial motivation). On the other hand we want to be able to look at ourselves and feel as honorable as possible (self-image, linked to ego motivation).

Thereby, the author presents a behavioral economics perspective that takes into account the psychology of dishonesty: people cheat for their own benefit while maintaining a positive view of themselves.

But these forces are in conflict with each other, as they lay on opposing motivations (Ariely, 2012).

It is now the case that the amount of cheat actually matters. Human brain can imbibe both thoughts if it involves a small little lie. As long as we cheat by just a little bit, we can secure the benefits of cheating and at the same time still view ourselves as honest human beings (Ariely, 2012).

To sum up this idea, Ariely's 2012 investigation comes up with a fudge factor theory, admitting flexible boundaries in ethics – cognitive flexibility. The inner workings are in each of us, since we have our own limit to how much we can cheat before it becomes absolutely sinful (line of morality). This is a balancing act, a process of rationalization.

This theory says that if we want to take a bite out of some random crime, we only need to find a way to change the way in which we are able to rationalize our actions. Our capacity for flexible reasoning and rationalization allows us to gather both forces, which seems much more complex than some simple rational calculations (Ariely, 2012).

When our ability to rationalize our selfish actions increases, our fudge factor goes on the same direction, making us more comfortable with our own misbehavior and cheating, by consequence. If our ability to rationalize our

desires reduces, our fudge factor shrinks, making us less comfortable with misbehaving and and, therefore, leading to less cheating (Ariely, 2012).

There are certain type of activities that boost this fudge factor, propelling for more dishonesty.

6. The various types of dishonesty

6.1. Non-monetary objects

An Ariely's experience (2012) demonstrated that when something does not have a direct link to money, people are more apt to be dishonest. That's the case of nonmonetary objects, from an inoffensive rob of pencils to a serious fraud using digital money like credit and debit cards [10]. Our brain creates a psychological distance between the dishonest act and its consequences, viewing actions as an abstraction or a game. As a consequence, we can more easily loose our moral standards.

For example, people are more willing to steal some paper from work and use it in the home printer, instead of taking 3,50€ from the petty-cash-box and use for the same purpose. When there's no explicitly reference towards monetary value, our mind creates a different story (Ariely, 2012).

It was shown that cheating in a sport like golf captures many of the nuances discovered in laboratory experiments, influenced by the psychological distance

[10] The growing use of stock options, derivatives or credit default swaps is a concern taken by the author. Under the realm of a cashless society, as financial products become less recognizably related to money, the separation from the reality of our actions would probably compromise our personal and social morality (Ariely, 2012).

from the action (Ariely, 2012). If we kick a golf ball with a club instead of picking up with a hand or shoe, the action is perceived as more distant from the execution, and we can even blame the context for that action, like the wind or our spaced out mind. It becomes much easier to rationalize and simpler to lie because we do not perceive the intentionality of the act as the case of our own hand or shoe.

As long as there are more steps between us and the dishonest act, more easy it is to lie and still think of ourselves as honest people (Ariely, 2012).

Curiously, golf is a common used metaphor for business ethics due to its characteristics of monitoring, high moral standards and self-trust (Ariely, 2012).

Ariely (2012) also showed that white-collar transgressors see themselves as true people because, not only they have the feeling that their actions are small, but also because there are several steps removed from cash (adding to this, there's the view aforementioned that the profession lacks emotional manifestations).

A possible solution is to shorten the distance between our actions and the money and emphasize the link with the people they can affect. The doubt remains on the effect that awareness and cognition of the consequences of our actions have on our forthcoming behavior (Ariely, 2012).

6.2. Conflicts of Interest

Another lever of cheating is biased incentives when one faces conflict of interests (Ariely, 2012).

Conflicts of interests color our view of the world and make us unable to see past them, in both personal and professional ways. In his "The honest truth about

dishonesty" book, Ariely retells a personal experience in which a doctor prescribe an unnecessary treatment, imbibed in his own self-interest.

This is also the case of persuasion strategies on the form of disguised favors, such as pharmaceutical recommendations, political affiliations or mortgage-backed securities (additionally, in this last case, there's the non-monetary issue and the reproduction of the same action by colleagues, something explored later), (Ariely, 2012).

These professional' judgements and psychological tricks do not include a cost-benefit analysis, where people deliberately choose their own feeling of morality rather than their patients' or company's best interest (Ariely, 2012). That's not the case. Instead, people try to find reasons and self-justifications for their actions, boosting, therefore, their selfish desires and moral flexibility. They just treat themselves favorably, feeling completely justified and making the most of it (Ariely, 2012; Moore & Gino, 2015). This feeling colors the judgement, leading to recommendations and decisions in line with their own self-interest.

As deeply social creatures, we also have an inherent inclination to return favors. The reciprocity idea incite numerous dishonesty actions (Ariely, 2012). Once a person does us a favor, we adopt his/her viewpoint, loosing objectivity in our judgement, especially if someone is paying us. Some people and companies understand this human propensity for reciprocity very well and consequently spend a lot of time and money trying to engender a feeling of obligation in others, beneficing some "buddies" (Ariely, 2012).

But what happens in our mind?

We simply become partial to anything related to the giving party, and the magnitude of this bias increases as the magnitude of the initial favor, even if it was created independently (Ariely, 2012).

Hidden costs of favors and biased incentives lead even the most upstanding professionals astray (Ariely, 2012). Robust studies in the authorship of Dana et al. or Shalvi et al. (as cited in Moore & Gino, 2015) endorse that this tendency for self-interest is more pronounced when people have circumstances that allow the objective nature of the outcome to be hidden from themselves as well as from others.

The self-justifications we take to ourselves happen in a process of mind's creativity. In fact, in these moments of preferentially self-treating, when asked about their decisions, people report them as completely fair (Moore & Gino, 2015). So, maybe if we increase our awareness and consciousness, establishing some rules that can safeguard ourselves from ourselves, we might reduce cheating.

For example, it is feasible to have more regulation in some professions, or for consumers to seek for a second opinion (Ariely, 2012). Disclosure or sunshine policies might also appear as a solution to this problem as there's an information advantage. By making their incentives clear, by publicly declaring exactly what they are doing, professionals would assure to their clients a clear and better understanding, resulting in more informed decisions (Ariely, 2012).

However, Ariely (2012) also expressed that this method is not always an effective cure for conflicts of interest. Plus, there's a serious cost to society in reducing flexibility and raising bureaucracy and oversight in compensation systems.

6.3. Creativity

As stated before, human beings are torn by a fundamental conflict between an ingrained propensity to lie to themselves and others, and the desire to think of themselves as honest and good people. That's why we justify our dishonesty by

telling ourselves stories about why our actions are acceptable and sometimes even admirable (Ariely, 2012).

People may not know exactly why they do, choose or feel some things. But the fiction in real motivations doesn't impede them from being storytelling creatures by nature (Ariely, 2012).

Individuals seek for explanations that elucidate not only the way they behave, but also the way the world functions. This permanent attempt to make, somehow, sense of the world is what helps explained the narrative fallacy, with the influence of past experiences (Kahneman, 2011).

By telling story after story, people come up with explanations that sound reasonable enough for them to believe. Simple, concrete. And this may mean explanatory stories that have little to do with reality. It might be assigned to talent, to stupid things or intentions, rather than, merely, to luck (Ariely, 2012; Kahneman, 2011). People only try to create perfectly logical-sounding reasons for all their actions, decisions, and feelings, "we are driven by the narratives we create" (Moore & Gino, 2015, p. 264). The more creative we are, the more able it is to have good stories that portray us in a glowing and positive light, justifying selfish interests, especially in ambiguity situations.

We often justify our actions with third parties, going through a process of mental gymnastics, applying all kinds of justifications to manipulate the criteria. Based on Ariely's experience (2012), imagine that a person takes an online test about personal preferences when searching for a digital camera. The result states for option A. Nevertheless, he/she was thinking about camera B since the beginning, despite not having the characteristics he/she was looking for. From that point on, the brain narrates an original story and creates a process to accept that camera B will be bought, even though the online test marked A. For example, by blaming the randomness of the test.

So, people don't always make choices based on their explicit preferences. Often, they have a gut feeling about what they want. This gut reaction is what characterizes, in the first place, the automatic System 1 (Thaler & Sunstein, 2008).

Yet, the ability to confabulate stories and keep up an honorable image makes the fake appearance that this is a deliberative process, a perfectly justified preference (Ariely, 2012). Wegner and Wheatley explored how people do this process of rationalization of gut-level emotions or drives as thoughtful decisions (as cited in Camerer & Loewenstein, 2004).

Ariely (2012) proposes a curious solution to deal with this creativity process: the coin logic, something previously started in the 90's, remitting to Batson's moral hypocrisy studies (as cited in Moore & Gino, 2015). If people toss a coin[11] and present themselves two different solutions (depending on whether it is tails or heads), after seeing the result, they understand which one of the solutions was closer to their true desire. They will toss the coin until they get the wanted result and assign the better task, falling into the belief that next time is for real. And there will always be a justification for this decision process, forasmuch as they are only following an advice. If, in one hand, this justification increases self-serving outcomes (Moore & Gino, 2015); on the other hand this process would allow quicker decisions, making rationalization more efficient (Ariely, 2012).

What if there are specific context that favors a narrative story?

Ariely (2012) analyzed that when people face a situation where they are confronted with upset and rush feelings (for example, due to a bad customer service), it is easier to justify immoral behaviors, as dishonesty becomes retribution or revenge.

[11] It also results with consulting an opinion of a friend or familiar (Ariely, 2012).

We have the ability to distance ourselves from the awareness that we are breaking rules, especially when our actions are a few steps removed from causing direct damage to someone else.

When people feel hurt, there's hardly a limit to the extent to which they can reframe their moral code. The brain starts molding a compensatory act against whatever happened on the first place. And the desire that comes with the feeling is figured as superbly acceptable, once it is only to get even, restoring the natural balance of the world... The action meet its own justification into the belief there's nothing wrong with it (Ariely, 2012).

While it is beneficial for people to have an original mindset (creativity enhances our ability to solve problems by opening doors to new approaches and solutions), it is bad how reinterpretation of information is served in self-serving ways. "We are driven to serve our own interests without conscious awareness we are doing so" (Moore & Gino, 2015, p. 265). By developing new paths and rules, better stories are accepting dishonesty, following the thought of wonderful people. Though we need and want creativity, it can have a negative influence under some circumstances (Ariely, 2012).

Are people aware of this feeling? It is questionable if more reasoning would help curb the fudge factor, and, hence, dishonesty. Worth pointing out that although there's a correlation between creativity and dishonesty (it was showed that a more creative mind-set affects a person's morality, making he/she cheat a bit more), there's no evidence that intelligence influences dishonesty behavior (Ariely, 2012).

6.4. Fakes

People broadcast to others who they are by what they wear - external signaling (Ariely, 2012). Nowadays, the desire to signal success and individuality is very evident, as it is informative to other people.

Humans' ability to justify is so extensive that it is also visible on the simple use of counterfeitings. Psychological forces related to fake are solidified on the idea of self-signaling, the relationship between what people wear and how they behave. It was found that people don't have a perfectly notion of who they are. Sometimes they interpret mere actions or attitudes as definitions of a character or a sign of morality (e.g.: if helping a beggar on the street, in spite of not defining one's character or morality, people interpret it as an evidence of a charitable character). They observe themselves in the eyes of others, therefore judging and inferring conclusions from what they think they view or know (Ariely, 2012).

Gino et. al. (2010) tested an experience, under the thought that people think and act differently if carrying a real or a fake version. Actually, that ends up to be truth. Counterfeit products somehow affect people in negative ways (Ariely, 2012; Gino et al., 2010), making them feel less legitimate (negative self-signaling).

Thereby, wearing knockoffs does have an effect on ethical decisions. And, besides coloring the way people view themselves down the path of dishonesty moral deterioration, it also causes them to view others as less than honest (Ariely, 2012; Gino et al., 2010).

6.4.1. What the hell effect

And does this effect dilute over time? It was shown that after the first act of cheating, the level of self-signaled dishonesty increases, as well as the fudge factor, leading to further fraud (Ariely, 2012). This phenomenon is called the

"what the hell effect" (p. 95) and it is generally used to explain why people abandon diets.[12]

Once people start violating their own standards (say, cheating on diets), it becomes much more probable to abandon further attempts to control the behavior. The fail at one small thing (e.g.: eating one french fry when supposedly on diet) cause the abandon of the effort altogether.

Within the brain, there's the feeling it has already tarnished the diet self-concept, so it just breaks it completely, making the most of the diet-free self-image (Ariely, 2012).

Additionally, at some point between the occasionally cheating and the maintenance of the belief of honest beings, there's the thinking "What the hell, as long as I'm a cheater, I might as well get the most out of it." (Ariely, 2012, p. 97).

Ariely (2012) specifies that very single human has an honesty threshold, from which he cheats over time an opportunity arises. He suddenly graduates from engaging in a little bit of cheating to cheating at every single opportunity.

Fictions degrees in important academic diplomas also suffer from this phenomena: once one act is established, it brings a looser moral standard, with higher tendency to cheat elsewhere (Ariely, 2012).

In a nutshell, once people are painted as cheaters in their own eyes, they start behaving in more dishonest ways, abandoning moral constraints (Ariely, 2012).

[12] This pattern is also visible when people use an authentic article, albeit it is more pronounced on the fake condition (Ariely, 2012).

One single apparently inoffensive transgressive act result in long-term negative effects on morality. [13]

Furthermore, the author states that immoral acts in one domain (whether one's dealing with fashion or anything else) do influence morality in other domains.

Thaler and Sunstein (2008) brought us more insights about the influence repetition has on enhancing System 1 automatic responses. Some teenagers are unsafe drivers due to a lack of training in System 1 fast responses plus a slower deliberative System 2. Professional athletes, for example, learn to trust more on fast and gut feelings overtime, while despising reflective thoughts. This may help explain the "what the hell effect" momentum.

Aware of this phenomenon, people should try to prevent the first dishonesty act, directing more attention towards early signs of dishonest behaviors, cutting them down in their budding stages (before they reach full bloom). We rely a lot on System 1' gut reactions but oftentimes it makes mistakes. The balance with the reflective System 2 must be done (as it has the ultimately response). As said, this is particularly important in shaping the way a person looks at him/herself and at his/her actions from that point on (Ariely, 2012; Kahneman, 2011).

6.5. Cheating ourselves

A puzzling limitation of our mind (Kahneman, 2011) is the excessive confidence in what we believe we know, plus the apparent inability to

[13] Note that this concept of "What the hell effect" assumes people are aware and do remember the previously act(s) of cheating. And due to that, there's this feeling. Interestingly, in a different perspective, a research (previously mentioned, on the behalf of Shu et al., as cited in Moore & Gino, 2015) showed how, over time, there's an undermining of brain's memory when it comes to unethical actions, influencing future approaches.

acknowledge the full extent of our ignorance. This unrealistically overconfidence in our abilities is known as "the above average" effect (Thaler & Sunstein, 2008 p. 39). We are prone to overestimate how much we understand about the world and to underestimate the role of chance in events (Kahneman, 2011).

When it comes to lies, people's overconfidence helps explain why they trick themselves by believing in their own lies (Ariely, 2012). The associative System 1 settle on a coherent pattern of activation, repressing ambiguity and doubt (Kahneman, 2011).

For instance, a person may convince him/herself that he/she truly earns a particular score, degree or even a running time, with no awareness of it. In fact, he/she convinces him/herself that he/she is legitimately better than in reality. And after a long time repeating the exaggerated claim to someone else, he/she starts believing that his/her exaggerate performance is a reflection of a true skill of his/her own and, maybe even to such a degree that he/she might swear it (Ariely, 2012).

This is a mean for puffing up - self-puffery - a useful strategy for believing the stories we tell ourselves. System 1 constructs the best possible stories, based on the ideas that are activated, refusing the information that is not retrieved from memory. This characteristic of the associative thinking is something Kahneman (2011) calls "What You See is All There is" (p. 70). The way System 1 excels the stories and individuals feel more confidence about their own beliefs, depend on the quality of the story that they figure out and, actually, are capable to see. We may persist on the inflated idea of how bright we are, increasing the confidence in our ability, in part to maintain a positive self-image. This means self-deception traduces over time, as we begin to believe in our own lies (Ariely, 2012; Kahneman, 2011).

Seligman certifies that this optimism contributes to resilience in the defense of one's self-image (as cited in Kahneman, 2011), helping people to cope with inner

flaws, stress or difficult tasks and increasing their own persistence and self-esteem (Ariely, 2012). Nonetheless, the bad side and consequences lead people to, not only enhance their life stories, but also to dive on a stronger and lengthy suffering if the truth is ultimately revealed. Inevitably, arises the general cost of deception: people start suspecting everyone (Ariely, 2012).

So, maybe if we are made blatantly aware of the ways we cheat (promoting deliberation, awareness), we become far less able to take unwarranted credit for our performance (Ariely, 2012).

But, deliberation was proved to be somehow dangerous to ethic. Zhong et. al sustain that individuals make more self-interested decisions when asked to think deliberatively, on a calculative mindset; compared to intuitively, primed with a non-calculative mindset (as cited in Moore & Gino, 2015). These results are contradicted by another line of thought, from Gunia et al., that argues that conversation with others and time extension improve ethical behavior (as cited in Moore & Gino, 2015).

So, deliberation effectiveness depends on the type of decision, but also on the novelty of the circumstance. Pizarro and Bloom assert that deliberation is more likely to result on the first time rather than on the tenth time (as cited in Moore & Gino, 2015).

6.6. Temptations

Different prompters for dishonesty come with temptation and mental exhaustion (Ariely, 2012).

Our preferences are permanently changing. What we sometimes want to do on a casual morning (e.g.: plan to run at the afternoon) might change as the moment arrives. These dynamic inconsistencies take place in a lot of contexts due to temptation issues and mindlessness (Thaler & Sunstein, 2008).

Loewenstein brings us a curious concept, "hot-cold empathy gap" (as quoted in Thaler & Sunstein, 2008, p. 48). People have different states of arousal, a "hot" and a "cold". When someone is facing appetizing meals while feeling hungry or on a diet, for example, we say that person is on a hot state, a state that may result in a series of bad outcomes (just recall the "What the hell effect" on diets). That person feels tempted, underestimating the effects that come with arousal. The cold state takes place when, for example, someone abstractly idealize the quantity of candies to take on a week. That person appears to have the situation under control, not taking into account the desire and impulse that may conflict as the moment of arousal comes (Thaler & Sunstein, 2008).

The authors compare these two states with the properties of the dual system, something that neuroeconomics denominate a two-system conception of self-control – a "Planner & Doer" model (Thaler & Sunstein, 2008, p. 48). Whilst the "Planner" is responsible for our reflective self, the "Doer" deals with all the automatic responses. Again, these two are always competing, as well as helping each other.

Adding to temptation, mindless choices evolve a feeling of inertia that puts the automatic pilot mode in a very cozy way. This is applicable to myriad arbitrary situations, from sweetmeats or consumption of junk food, until lies. For instance, how many times we find ourselves eating just because the food is right there in front of us? (Ariely, 2012; Thaler & Sunstein, 2008)

The result gets worst if we are using in a very intensive way the deliberative mode. There is less cognitive space for resisting temptations, since it is taking away considerable effort and energy, exhausting our willpower, a limited resource (functioning like a moral muscle or reserve) (Ariely, 2012; Moore & Gino, 2015).

Ego depletion helps explain why people's evenings are particularly filled with failed attempts at self-control (Ariely, 2012). For instance, judges grant more paroles during their first cases of the day (after the lunch, the number breaks).

But what happens after all? Our desires, instincts and emotional side are fighting against reason, a self-control and more rational side. The part of the brain that is in charge and has the ability to deliberative think is otherwise occupied, using up working memory and inhibiting natural responses, so the capacity for resisting diminishes (Ariely, 2012; Moore & Gino, 2015). Therefore, as the brain gets tired, it deteriorates our judgements, the system of impulsions overtakes control and masters behaviors. This flexes our cognitive and moral muscles, taking away some of our reasoning power and, with them, the ability to act morally (Ariely, 2012; Kahneman, 2011).

But a normal day is full of decisions and never-ending temptations (Ariely, 2012). If people are somewhat aware of the propensity to act dishonestly when depleted, maybe there's a better way to confront life's many temptations.

Dan Silverman (professor of economics in Arizona State University) offers an inquiring approach (Ariely, 2012): just go for it. If, once in a while, a rational person yield to temptations, the problem is softened. That keeps people strenght to resist to future temptations, without the sensation of being that much self-depleted.

Ariely (2012) turns in the opposite direction saying to get rid of temptations, since the ability to fight weakens with time and accumulated resistance. He gives the trivial example of diets, i.e., if you are trying to lose weight, clear the shelves. An interesting approach is also to face the situations that require more self-control early in the day, before we are too depleted.

Self-control strategies are also propounded by Thalor and Sunstein (2008), to keep us linked to our "Planner" semiautonomous self. Some examples may be to ask our friends to not let us eat a dessert, to keep us in the right way for quitting smoking, or even to adopt betting strategies with one another (e.g.: pacts in diets evolving money). Internal influences like mental accounting, a very known control system, may also help to regulate, manage and keep home budgets on time and schedule (Thalor & Sunstein, 2008).

The authors also illustrate the importance that the government have in a lot of our self-control problems, as it will be discussed on the nudge part.

6.7. Cheating in a society

Dishonesty is a social contagious problem considering how often people take comfort whenever actions fall in line with the social norms of those around. Conformity experiments found how universal it is for people to conform, in a variety of contexts and countries. Humans have a great tendency to follow those who preceded them, ignoring the evidence of their own senses. Going to such lengths, to justify bad behaviors, characterizes an infectious element on cheating (Ariely, 2012).

For example, if we see someone grabbing office supplies, our brain starts to assimilate this action as more socially acceptable, since someone else is crossing the ethical line. And that's a slower and subtle process: a microscopic impression is left and we become slightly more corrupt. In a series of experiments, it was shown that some norms and behaviors do become more entrenched over time, notwithstanding its original arbitrariness[14]. The intensity of exposure promotes next time's actions. So, the next time we witness unethical behavior, our own

[14] This effect may help explain why some groups stick with traditions and established patterns for so long (Ariely, 2012).

morality erodes further. We become more compromised as the number of immoral "germs" to which we are exposed increases (Ariely, 2012; Thaler & Sunstein, 2008).

But why do people generally defy the evidence of their own senses?

Firstly, there's the power of the information and its conveyance on one's mind thinking and actions. We tend to look to others to learn what behaviors are appropriate and inappropriate, and that's the natural way societies and individuals develop. But learning from others also covers some of the bigger misconceptions and biased beliefs (Ariely, 2012).

Secondly, there's a peer pressure to behave in a certain and desirable way. This is not very conscious, as people changes happen in the perceptual features of the brain (instead of in the prefrontal cortex). Therefore, sometimes, if everyone else accepts or sees things in a certain way, our brain assumes that it is the correct way to view them. It actually begins to see them that way (Ariely, 2012; Thaler & Sunstein, 2008).

Identities do become more or less salient as a function of the context (Moore & Gino, 2015), and, at the same time, they depend on the social importance that each one of us assign them. When it comes to cheating, social influences arise because the social norms that define acceptable behavior are not that much clear, and the behavior we see on others shape our ideas about what's right and wrong. Thereby, the new information (social signal) plus the mental revision (of what's right and wrong) triggers more cheating over time (Ariely, 2012).

Besides coming with observation of others' misbehavior, emerging social norms are more manifested when proximity is on equation. Early in the 90's, a famous psychologist, Sherif, found how seemingly similar groups promote conformity effects. Individual judgements, beliefs and actions seem to converge

under group norms, so that a mere move of a practice in a preferred direction, can have a really strong influence on a particular set of people (as cited in Thaler & Sunstein, 2008). Monroe tell us that, from the moment that people perceive and see themselves as a member/part of a social category/group, they are more prone to believe that individuals at the same category deserve the same treatment (as cited in Moore & Gino, 2015). The non-conscious identity process assumes an important role here.

Observing dishonesty in people who are close to us gets more "infectious" than observing the same level of dishonesty in people who aren't so close or influential in our lives (Ariely, 2012). The inability to exert self-control can be socially contagious. Those actions provide a social cue that people just like us, whom we recognize to be socially alike, seem to cheat. It signals that a type of behavior is socially acceptable, or at least possible, among peers (Ariely, 2012; Moore & Gino, 2015).

A similarly contagious behavior is obesity. Christakis and Fowler had shown that people are more likely to be overweight if they have more overweight friends (as cited in Thaler & Sunstein, 2008). These behaviors become more probable if in the in-group there's an authority figure, like a parent or a boss, someone we respect (Ariely, 2012).

When the person cheating is an outsider, it is harder to justify a misbehavior, out of a desire to distance from that immoral person, with no influence on our amount of cheating. This may also explain the lower impact that anonymous group consensus has on conformity. When people know that other people will not see what they will do, they become less likely to conform (Ariely, 2012; Thaler & Sunstein, 2008). These results show how crucial other people are in defining acceptable boundaries for our behaviors, including cheating.

The frequency of financial scandals on the corporate world is linked with this chain. The apparently increase in societal dishonesty is probably being spread like a communicable virus. In fact, this reality is present in in-crowd groups, like bankers or lobbyist. In these special interest groups, there's a constant escalation of shady dealings, as fudged numbers became accepted behavior (Ariely, 2012).

It is hard for corporations to understand what is or what's not normal anymore, at least within the domain of staying competitive and maximizing shareholder value (Ariely, 2012).

We tend to view minor infractions as trivial and inconsequential but when they accumulate across many people (e.g.: in-groups), they can send a signal that it is fine to misbehave on a larger scale.

Although it is subtle and gradual, dishonesty has a slow, socially erosive effect and the final outcome can be disastrous. Spread from person to person, a new and less ethical code of conduct is being developed (Ariely, 2012).

From this perspective, Kelling and Wilson support that it is important to be vigilant with individual and apparently small transgressions, fixing the problems since the moment they appear – when they are still little (as cited in Ariely, 2012).

Public/influential spotlight figures can be very favorable on this prevention. Observed behavior related to politicians, celebrities or CEOs has a large impact on those who are viewing. Though there's a lot of popular cases of forgiveness of celebrities' misbehaviors (like small crimes), with downstream consequences for society at large, influential people can also publicity promote outstanding moral acts, vivid examples of commendable behaviors (Ariely, 2012).

It is one thing to observe dishonest behavior in others and, drawing on that, alter our perceptions of what acceptable social norms are (social contagion, where we catch cheating from one another, as mentioned before); it is quite

another if the financial welfare of others depends on us (social dependency), with bonuses, raises, and future prospects intertwined (Ariely, 2012).

The vague world of accounting promotes plenty of collaborative cheating, which comes up with a cost: altruistic cheating. The irrational part of human beings that foment the care and help on others whenever needed is social utility (Ariely, 2012). So, some unethically acts are being done while benefiting others.

What's more, when cheating is carry out for purely altruistic reasons (with no self-gain), meaning only other people will benefit from our cheating, dishonesty increases to an even larger degree. For example, when one helps a stranger who is stuck with a flat tire.

The author argues that it is far easier to rationalize a bad behavior in purely altruistic ways, subsequently relaxing moral inhibitions.

It was mentioned before white lies can sometimes have a reasonable justification, if that means saving someone from pain. It is curious that when it comes to charitable behavior, people do not advance when an opportunity to lie comes up. Ariely (2012) tested if the road that a taxi driver chooses varies in the presence of a blind person (since the blind person does not see, the taxi driver could go for a long way, having a better benefit). However, when confronted with generous behavior, human beings act in a generous way, even at some cost to their business, with no influence on the amount of cheating.

And, within some circumstances, group settings may curb humans' propensity to cheat (Ariely, 2012). When working within a team, if a team member act as a monitor, people may be less inclined to misbehavior. The mild suggestion that they are being watched acts like a warning sign, with positive effects on honesty.

To get this conclusion, Ariely (2012) conducted a famous experience, where people contributed three times more money to a coffee-payment honesty box when facing a poster of eyes glaring, as opposed to one of flowers.

But what effect is more powerful in group-based work? Altruistic cheating (and, as a consequence, more dishonesty) or monitoring (and, as a consequence, less dishonesty)?

When people are put together in a setting where they have a chance to socialize and be observed, altruistic cheating overpowers the supervisory effect (Ariely, 2012).

As mentioned before, to overcome collaborative cheating, more monitoring will not completely overcome our ability to justify our own dishonesty, especially if it is the case that others gain from our cheating. This would also cost large financial amounts in compliance with rules and regulations of governments.

A possible solution is a change on the nature of social connections. For example, the addition of an anonymous monitoring element (Ariely, 2012).

7. Moral reminders

So, as we saw in the topics covered before, there are possible solutions that may help reducing dishonesty behaviors. Those include more reasoning, diffusion of awareness and consciousness, dissemination of the consequences, prevention of the first untrustworthy act; some rules and monitoring, like disclosure policies, with the interference of governments and institutions; and a change on the nature of social connections (Ariely, 2012).

However, we also saw there's a lot of controversy and inconsistency in-between. Deliberation can prompt for more self-interested decision, also depending on the propensity and moment of lying. Regulation attach large costs to society and countless bureaucracy (Ariely, 2012; Moore & Gino, 2015).

In fact, maybe the most revealing honesty-building mechanism, with internal and environmental influences on behavior, is something Ariely (2012) started to explore – moral standards. He discovered how the simple recall of ethical standards incites an improvement on moral behavior, resulting in lower cheating.

He tells us a story about locks, only in people's door to recall them to stay on the right path with no transgressions attempts, since a thief may enter in our house if he really wants to. Locks are on doors only to protect from honest people who might be tempted to try if it had no lock. It is there to keep honest people honest, working as a little moral reminder (he goes further saying that people do seem to really want to be honest).

The metaphor helps to realize the importance religious reminders may have, as symbols of awareness (e.g.: the bible, the ten commandments). In fact, Ariely (2012) shows that, once people read the ten commandments, even if they are not religious, they sense the ensuing effect on how they view their own behavior, making significantly easier to be more honest. Thus, this approach works even if those specific moral codes aren't a part of our personal belief system.

A very bright experience was conducted by Lisa Shu, Nina Mazar, Francesca Gino, Dan Ariely and Max Bazerman, concerning tax reporting: a "sign here" IRS honor code method (as cited in Ariely, 2012). The authors later published a paper, under the title "Signing at the Beginning Makes Ethics Salient and Decreases Dishonest Self-Reports in Comparison to Signing at the End."

Typically, a person fills the form and sign at the bottom, as a verification of information. However, when signing at the top, filling out after, signatures work in a different way. The simple change of location works as a promising way to decrease dishonesty[15].

If people only ask to sign at the top of the form, there will be some confusion and legacy doubts. Signatures do need to verify the accuracy of the information provided. Then, both signatures could be a solution. A top signature would act as a pledge, reminding people of their patriotism and moral fiber, and the one at the bottom would be for verification.

The experimenters tested this on a large insurance company, where they confirmed an already substantiated theory that most people cheat, but only by just a little bit. Out of curiosity, many taxpayers who undergo a loss of property seemed comfortable exaggerating their loss by 10 to 15%.

Doing something as simple as recalling moral standards in the time of temptation can drastically diminish the dishonest behavior, potentially preventing it altogether (Ariely, 2012). Solutions like signing at the top of the claim form, or next to each reported item; declare losses in highly concrete terms and provide specific details (where/when bought the items); or couple agreement in what was lost, would allow less moral flexibility and, then, less cheating.

However, Ariely's 2012 finds it difficult to have deeper concrete results, since companies are not that able to emend their regular practices.

[15] Ariely, Mazar and Omir measured cheating throughout all experiences with a matrix task, in which there's an opportunity to cheat (the experimental condition) (as cited in Ariely, 2012). In this specific experiment, it was found that participants in the sign-at-the-end condition cheated by adding about four matrices to their score; whereas in the sign-at-the-top participants claimed only one extra matrix.

Honor codes in universities showed some promising and depressing results regarding moral reminders (Ariely, 2012).

Princeton university has a very strict honor code, with a crash course in the beginning, propaganda on morality, etc. However, when experimenting the signing the honor code vs non signing in Ariely's investigation, Princeton's students cheated just as much as their counterparts at MIT and Yale (that do not have an honor code). The existence of a rigorous honor code did not seem to have a lasting influence on their moral fiber (Ariely, 2012).

This study on strong honor codes raises an important question: time. People's memory and awareness of moral codes do have an effect on how behaviors are viewed, but maybe this is the case for just a period of time. The experience disclosed how difficult and challenging it is to alter behaviors concerning ethical issues. The possible loss of effectiveness is related to the long-term cultural change that's need when it comes to ethic (Ariely, 2012).

So, if it is true that our willingness and tendency to cheat is reduced with effective small reminders that maintain our ethical standards (for example, religious music when people are on hold would be a curious experiment); over time there's probably some loose ends (Ariely, 2012).

Nevertheless, the social mechanism is also verified on the opposite direction, cooperating with self-deception. Reminders like certificates or achievement markers help holding onto false beliefs about someone's ability, reminding a false/adulterated achievement, thereby raising the confidence in an overstated performance and boosting the capacity for self-deception (Ariely, 2012).

But, the good side is that this discovering can be used in order to minify self-deceptive tendencies. How to? By intervening beforehand, right at the moment people are tempted with the opportunity to cheat. Zöe Chance, Mike Norton,

Francesca Gino and Dan Ariely set out an experiment that proves it (as cited in Ariely, 2012).

It was already stated there's no awareness that we exaggerate our own stories. On a previous experiment, participants ignored the effect that an answer key/solutions had on dishonesty while doing a specified task.

Under that circumstances, experimenters become interested on the possible effect that the intensification of a clue could have (a perspective similar to religious reminders, like ten commandments). If the answer key becomes more obvious at the moment participants are using it, will self-deception be attenuated? The answer is yes. The solution key at the bottom of the screen was hidden from sight, so that, to reveal the answers, participants would need to move the cursor to the bottom of the screen. When the cursor was moved away, the answer key was hidden again.

Although almost all of the participants consulted the answer key at least once (still cheating), they did not overestimate their performance when predicting the second test's results.

Indeed, when forced to think about the use of the answer key, people consciously decide and become more aware of the action, so that it can't be ignored. Any act of cheating have to be more deliberate, intentional and far more difficult to self-justify (since the answer key seems evident rather than merely glancing at the bottom of the page). Then, people become far less able to take unwarranted credit for their performance (Ariely, 2012).

Previous research by Aquino et. al had already shown that activating moral aspects of one's self-concept increases the likelihood to act morally (cited in Moore & Gino, 2015). However, this does not guarantee less cheating. Actually, the case changes in some identity cases: in the financial industry, making the identity of a banker salient, i.e., prime them to think about their professional identity, increases the probability for them to be dishonest (Moore & Gino, 2015;

Villeval, 2014). As said, social norms have their fair share, as they emerge in specific groups and professions. But this professional-identity priming, according to the experience of Cohn et. al, was not replicated in other in-crowd groups/professions (as cited in Villeval, 2014). The ordinary employee, despite of behaving honestly on average (Villeval, 2014), got affected by all the business culture of the financial industry, that englobes extended incentives and expectations, that make them want to secure personal gains (Cohn et. al, as cited in Moore & Gino, 2015). The undermining of honesty by a professional environment brings up a challenge (Villeval, 2014): how will people manage their multiple selves with the purpose of maintaining a self-concept of honesty?

Overall, the fear of being caught, in which people are aware of the possibility of immoral behavior, make them reflect on their own morality, with positive effects. The thought works as a moral reminder.

Is this the case of the contagion nature of cheating? Does it generally work under a cost-benefit analysis, i.e. because someone perceive no consequence at all on cheating? Ariely (2012) tries to answer it with the help of a question condition - the "Do whatever you want" (p. 147). The objective is to test if, under this condition, people cheat more (a rational cost-benefit analysis, since it is clear in this setup that cheating has no downside). Cheating actually decreased.

In respect to the "what the hell effect" and the moral reminder formula, there's some positive lights. Hereinbefore, Moore and Gino (2015) stressed how remedial behavioral responses and redemptive behavior can mitigate dishonesty. Resetting approaches and pain feeling can, indeed, restore people's moral compass, acting as a recipe for asking forgiveness and turn on a new page (Ariely, 2012). It is liable on the form of pro-religion and non-actions, from purification rituals to birthdays, New Year's resolutions or job changes.

When one is admitting a mistake, seeking forgiveness or reminding a guilt-related past experience, there's a feeling of overall self-cleanse that, so far, can rather successfully reverse the what-the-hell effect (Ariely 2012; Moore & Gino, 2015).

8. Choice architecture

A lot of research is being made by governments and other public and private companies regarding important issues on social welfare, just like health care plans, retirement saving plans, privacy policies adoptions or organ donations. It was found that factors that were not supposed to influence choices, have a surprisingly important role. People's limited attention and busyness make them not wonder a lot about that's going on around them, accepting and not searching for alternative formulations. Exploiting this fact, a strategically used encouragement may, possibly, help people pursuing an easier, better and longer life (Thaler & Sunstein, 2008).

The power that people have to influence consequent behaviors is what is called "choice architecture" (Thaler & Sunstein, 2008, p. 13). It happens in sales, educational orientation, and in a lot of options we personally do. For example, the way food is arranged influence the choices people make, working as a nudge, whether the goal is to increase consumption of healthy or unhealthy food. Thaler & Sunstein (2008) relate an experiment in which the simple rearrange of a cafeteria's school display increases the consumption by as much as 25%. An intentional but well-hidden (i.e., not perceived by the customers) signaling in sizes and proportions of recipients, plates and menus, also propone and have clear results on more and less eating (Thaler & Sunstein, 2008).

We all now know how, together, little acts can result in more than a few navigation devices (Ariely, 2012; Thaler & Sunstein, 2008). Attempts to increase physical exercise or to help the environment (e.g.: make people carry plastic bags when they are walking their dogs) can be very successful in shifting behaviors. Bigger taxes on cigarettes or create mechanisms to make gamblers put themselves on a list to be banned from casinos, are also good examples of nudges. By discouraging bad behaviors, governments can also move people in better directions (Thaler & Sunstein, 2008).

Choice architects can also benefit from social influences to make massive changes, "one of the most effective ways to nudge (for good or evil) is via social influence" (Thaler & Sunstein, 2008, p. 60). Influential and well-known people incite the expansion of more appropriate behaviors.

All these attempts have the same goal: to increase consciousness and guide people into directions that will benefit their lives. The purpose is to nudge. Not to restrict or decide. It is to nudge, "to alert, remind, or mildly warn another" (Thaler & Sunstein, 2008, p. 25).

The authors claim for a liberty-preserving movement. Something called libertarian paternalism, in which there's the freedom to choose, add to a discrete suggestion to follow. People do not always choose the best thing for them.

Over the past years, social scientists are raising a lot of questions about the rationality of many decisions, emerging a sort of science of choice (Thaler & Sunstein, 2008). There's so much bias, random factors and dozens of information missing and self-control. The attempt to steer people's behavior in a predictable and thoughtful way does not block, forbid or burden people's minds. It is just an intervention, an indirectly way to influence the choices people make, with no intentions to hurt (the harm might be minimal). And people are still completely

free to choose whatever they want. The purpose is simply to make people's lives healthier and longer, while solving many of society's major problems (Thaler & Sunstein, 2008).

Thaler and Sunstein (2008) stress that many of these policies and seemingly trivial menu-changing strategies, besides having enormous effects on outcomes, have little or no cost (with no additional burden on taxpayers).

When can the nudge be more effective? In which situations do people need more a push, being less likely to make the appropriate choice? Cutting a long story short, when the understanding of the situation they are in is vague, not structured, with loose ends, which are not well translated into terms that make sense to them. That's the case of choices that are not habitual or easy to face, issues in which the costs and benefits are not felt at the moment of the choice, decisions and preferences that people find troubling to perceive. Decisions that seem difficult, unusual, with ambiguous terms between the decision and the experience, with little or no feedback at the moment (Thaler & Sunstein, 2008).

Moore and Gino (2015) explored how the way a particular choice is presented and the context it is in has an influence on the subsequently reaction people have. It was mentioned in the first phase of their psychological model about unethical behavior at work: the approach. The format and wording of a critical question or choice problem drive people to different outcomes, so that small and subtle changes in different contexts and social situations have a magnified effect on behaviors (Kahneman, 2011; Thaler & Sunstein, 2008). Different arrangements, designs and organization of contexts incite different choices on people. "Choices are not reality-bound because System 1 is not reality-bound" (Kahneman, 2011, p. 296), as it stimulate different associations and meanings, just remember Kahneman's "What You See is All There is".

That's the case of defaults choices and preference construction (Johnson & Goldstein, 2004; Thaler & Sunstein, 2008). The mere random assignment to a default choice has a substantial role in determining what is chosen. This is choice architecture in process.

A research regarding organ donation's shortage found that, contrary of one might thing, financial incentives or specifically designed campaigns to educate and convert attitudes, do not have that much influence on people. The assumption created is that people have already made a decision, estimating the costs and benefits towards a well-sustained preference. But this preference is not that articulate. Instead, it is influenced by something not that obvious - the form's presentation (Johnson & Goldstein, 2004).

The way a question is framed influence the outcome, so that the decision on to donate or not to, is constructed as a response to it. More precisely, the key is the designation of the default option on the bulletin. The default option makes the majority of people to settle and adopt the option that requires less effort or resistance, since they assume it is a more common or safe answer (that may work as a suggestion). People prefer to maintain the answer instead of actively deciding on such an important issue (that might be stressful for them) (Johnson & Goldstein, 2004; Kahneman, 2011). A change would involve a trade-off (i.e. when one's give up to one thing for another).[16]

It seems that everything matters then. Default options explain why similar countries (like Denmark and Sweden) have statistically different donation rates (Sweden with an effect consent rate of 85,9 % and Denmark with 4,25%, based upon the study of Johnson & Goldstein, 2004). In the case of Sweden, the opt-out default (in which people have to select if they don't want to donor), includes a presumed consent. It increases the apparent agreement with donation since

[16] The existing state in the default characterize an inertia tendency, something called the status quo bias (Thaler & Sunstein, 2008).

people do not take the simple action of checking the box. They are automatically enrolled in the program, therefore having high donations contributions. Whereas in the opt-in default, to become a donor in Denmark (in which people have to select if they want to donor), the consent is explicit. People do not check the box and, as a consequence, do not become a part of the donation program, with lower contributions (Collins, 2015; Johnson & Goldstein, 2004; Kahneman, 2011; Thaler & Sunstein, 2008).

Indeed, this is an example of a difficult choice that involves a choice in life in which the consequences are separated in time from the choice, the effects are delayed, and it is hard to predict the outcome in the long-term. Hence, the nudge makes sense (Thaler & Sunstein, 2008).

9. Purposes of this dissertation

With positive findings regarding moral dishonesty and the power that simple nudges can have: can different news prime individuals to different moods and, consequently, change their perceptions of dishonesty?

We now know how creative people can be and that it is possible to curb dishonesty. People just have to keep discovering discreet ways to promote more ethical behaviors.

Since we are dealing with feelings, the next chapter exposes long robust findings from previous research, which will help in the understanding of the effect studied in the experiment.

Next, a definition of mood will be made, extending to one's understanding of priming.

9.1. Affect: Valence-based approach and Appraisal-tendency framework

As stressed before, there are two kinds of affective influences: integral and incidental (Lerner et al., 2007).

The majority of studies within the literature of affect has taken a valence-based approach[17], studying the carryover' mechanisms of incidental emotions, as passing from one situation to another (Han et al., 2007; Lerner et al., 2014). The investigations have stated how globally positive and negative moods affect future choices and influence people to form relatively optimistic and pessimistic judgements, reporting higher probabilities for positive events or negative events, respectively (Wright & Bower, 1992; Cavanaugh et al., 2007; Lerner & Tiedens, 2006; Lerner et al., 2014).

But, when it comes to discrete emotions (e.g.: anger, sadness, happiness, surprise), a valence-based approach seems insufficient.

DeSteno et al. (2000) had already rekindled the existence of a variety of emotions of the same valence, questioning if their effects were not so equally estimated. Instead of depending only on the valence of the states, subject's likelihood judgements may also be affected by specific (i.e. discrete) emotions. Specific stimulis yield different emotional responses, so that different types of cognitive processes emerge. That's the case of, for example, anger and sadness studies, with different effects on judgements and choices, also manifested in DeSteno et al. (2000) studies.

Lerner & Keltner (as cited in Lerner et al., 2014) propose an appraisal-tendency framework, which provides a nuanced approach, examining the emotion-specific

[17] A valence-based approach assumes that emotions are divided in positive and negative categories due to similar effects on judgement (Lerner et al., 2014).

influences on judgments and decision making. The approach goes beyond the effects of valence alone (Cavanaugh et al., 2007; Lerner et al., 2007).

The framework admits that emotions of the same valence influence in different ways the choices and judgements people make, under different patterns of cognitive appraisal (Lerner et al., 2014; Moore & Gino, 2015). For example, negative emotions like anger and fear suggest different judgements of future events and risk perception. While anger makes people feel more optimistic (i.e. make them see less risk), fear induces pessimism (i.e. make them see greater risk). Positive emotions like pride and surprise can also exert opposing influences on the judgements of attribution of responsibility. If it is pride, people attribute favorable events to self-efforts; under surprise, positive events are perceived in a more unpredictable way, caused by others' responsibilities (Lerner et al., 2014). On another perspective, emotions of the opposite valence (such as anger and happiness) can exert similar effects and influences (Cavanaugh et al., 2007; Lerner et al., 2014).

A combination of the appraisal-tendency hypothesis and global mood discoveries may refine the understanding of the influence specific emotions have within the appraisal framework (Lerner & Tiedens, 2006; Lerner et al., 2007).

Network association helps justifying the congruent mood induction studies, since it happens on an affect level. All the mental representations of stimuli that instigate positive/negative affect are stored next to each other and maybe this association becomes clearer if we are outside a global-affect level (Lerner & Tiedens, 2006; Lerner et al., 2007). At the presence of a specific emotion, maybe there's a link made by appraisal themes, so that priming, retrieval and mood-congruent attention happen between an emotional state and stimuli that is connected not only to that emotional state, but also to its central appraisals. Thus,

this salience possibly shapes people's perceptions, influence their estimated risks, judgements and decisions (Lerner & Tiedens, 2006; Lerner et al., 2007).

Informational mechanisms are also relevant because of the fact that judgement can be directly informed by one's emotional state, as it provides cues that are used by individuals to generate a response (DeSteno et al., 2000; Lerner et al., 2007). The appraisals that are associated to the emotional state can become overgeneralized, influencing subsequent judgments and decisions (Lerner et al., 2007).

9.2. Mood and priming

It was already mentioned the similarity of terms it exists in social psychology, such as: "emotions", "feelings", "affect", and even "moods" (Moore & Isen, 1990). Yet, it is now clear how moods and emotion can provide different outputs.

Affect is as generic label to refer to both moods and emotions. Specificly, incidental affect includes all the feelings of subjective experiences that should be normatively irrelevant to present judgements and choices, which may encompass emotion or mood (Forgas, 1995; Lerner et al., 2007, 2014).

In the experience reported in this work, the affect is not defined in terms of an emotion. It is rather broadly characterized – in positive and in negative. We are not manipulating any specific and discrete emotion (like anger or happiness). We are analyzing and emotionally manipulating how positively or negatively people feel, the mood they are in, but not a concrete or particular emotion.

According to Clark's definition (1982), mood corresponds to the feeling states, so that a positive mood is the state of feeling good, and a negative mood is the state of feeling bad.

Considering the effects of feeling states and emotions: feeling states have more pervasiveness and are nonspecificity, two dimensions of utility. They can, then, influence a variety of behaviors in an adventitious way, being able to alter attention, memory, and redirect thinking and behavior (Moore & Isen, 1990). They refer to "low-intensity, diffuse and relatively enduring affective states without a salient antecedent cause and therefore little cognitive content" (Forgas, 1995, p. 41).

Every day in our life we sense a variety of feelings. The mood or disposition we feel in, reflect the states of the environment around us. When we are in a good mood, we signal more positive events and outcomes and feel a safe environment. Contrary, when we are in a bad mood we signal more negative situations and maybe threats, since vigilance is required. The requirements of the situations we face are tuned to our thoughts, so that the results carry different processing strategies under good or bad moods (Clore & Schwarz, 2003; Kahneman, 2011).

In this experience, the states are induced by a small, subtle thing - the reading of a honest or dishonest behavior (as generally perceived). As Thaler & Sunstein (2008) assert little pushes can evoke the ease that specific informations come to System 1, acting as a prime. It inhences associations and ideas that are relevant to the later information as they can be traduced into actions (again, in an unconscious way).

Nudges are really everywhere and they can result in varies ways. Little and apparently irrelevant cues that occur in social situations, such as the reading of news about dishonest or honest acts, may activate concepts and stimulate certain kinds of behaviors. The activation of the concept increases the likelihood of its use in the next context (Thaler & Sunstein, 2008).

For example, Hooland et al. assert that a scent of an all-purpose cleaner prime people into more cleanness in the environment when eating; Bargh presents how

a hotter or cooler drink prime people into different judgements about strangers; and Kay et al. defend that briefcases and boardroom tables in a business context prime people into more competitiveness (as cited in Thaler & Sunstein, 2008).

Questions about one's intentions - "How often do you expect to floss your teeth in the next week?", "Do you intend to consume fatty foods in the next week?" – produce more (in the former case) or less (in the last case) of that behavior[18]. Lewin names these influences "channel factors" (as cited in Thaler & Sunstein, 2008) which "either facilitate or inhibit certain behaviors" (Thaler & Sunstein, 2008; p. 75). All of these examples of stimulus that affect people's evaluation of information and conduct (Strack et al., 1988; Thaler & Sunstein, 2008) were inspiration to the present dissertation.

The judgements we intend to evaluate here, are done in the perspective of others. Judgements, in the words of Camerer and Loewenstein (2004), embody all the processes that individuals use to estimate probabilities.

As Ariely (2012) and Kahneman (2011) already recognized, it is much easier to identify and anticipate the mistakes of others than our own. When asked about the average tendency rather than our own, people feel free to tell and admit, with not so many feelings interfering (Ariely, 2012). Also, Gino, Ariely and Norton experience (2010), involving the wearing of inauthentic articles, demonstrated that it causes people to, not only behave more dishonestly, but also to view other people's behavior as more dishonest. These dishonest behaviors tested by the authors were adapted to the current experiment.

[18] According to Thaler & Sunstein (2008), it is a "mere-measurement effect".

Method

a) Design: In this experimental method, consisting on the manipulation of variables, the measures are independent, characteristic of a between-group design. Participants were randomly allocated to different conditions, or groups. The experiment was a simple-three (induced mood: positive x negative x control) between-participants factorial design. The subject underlying all the study design is dishonesty.

The independent variable - to manipulate - is 'induced mood' by news reading. There are two levels of the independent variable (two manipulations): positive mood and negative mood. To examine it, participants indicated the extent to which they agreed with various statements about one's feelings and general world's vision. The neutral mood is the controlled group, in which there's the absence of the supposed cause.

The dependent variable is 'interpretation of other's behaviors', defined as probabilities: probability of ethically questionable behavior and probability of lies (on a 7 point Likert-scale) (Simply Psychology, 2008).

Therefore, participants were, therefore, randomly distributed in three groups: the control group (neutral mood), and two experimental groups (positive mood, negative mood).

The prediction of the experiment, given the range of the impact and the purposes of the dissertation, is to obtain a positive relation between the type of news and the mood, with, subsequently, a production of different judgements on matters associated with dishonesty. In short, it is suggested that news related to dishonest/honest topics incite different moods, and that these feeling states cause people to view other's behavior as more, or less, dishonest.

The predictions also have their focus on the so far documented effects of priming upon behavior: maybe the news related to the dishonesty big theme also produce a considerable impact.

b) Participants: The sample consisted in 164 participants, about equally divided between men and women (54% women). The sample covered Portuguese subjects, aged from 17 to 69 years old (M = 32.59; SD = 12.06). There were no significant differences in gender, $\chi 2(2) = .683$, p = .711 or age, $F(2,161) = .673$, p = .511, across experimental conditions (Field & Hole, 2003; Statistics help for students, 2008a). There were 56 subjects in the positive condition (55% women), 56 in the neutral (50% women), and 52 in the negative condition (58% women).

c) Apparatus and Materials: Participants had to fill in an online questionnaire, based on Qualtrics surveys. No more additional equipment were employed.

d) Procedure: The online survey continued for two days, during the third week of February 2016.[19] Since it was a between-group design, each participant was tested once only, consequently obtaining one score per participate.

Qualtrics' online survey randomly assigned participants to one of the three conditions, therefore, avoiding bias and preventing extraneous factors from having effect. Due to a between-group design choice, possible differences in measurement are fairly attributable to the experimental manipulation.

Participants were recruited via social media, taking around 5 minutes to fill a questionnaire. They were informed about the aims of the study: a dissertation's experiment conducted in Catholic Porto Business School about decision-making. Participants were asked for sincere and careful responses and were guaranteed

[19] A pilot test was conducted before, in the university, which tested the manipulation check: positive and negative mood.

the right to confidentiality, with no publicly identifiable data or subjects. During the experiment, all participants were ensured from any obvious physical or psychological impairments/harm.

Firstly, they were presented with a social-demographic questionnaire, asking for age, sex, occupation and nationality.

Induced mood manipulation: This manipulation was carried out through contrasting pieces of news - in experimental conditions. Participants read a (fictitious) piece of newspaper with positive and negative news, concerning honest and dishonest events. The events were described in detail, also containing possible consequences (around 8 lines). In the positive condition, the story about the honest act was entitled "Honesty on a daily basis: Men find a handbag with 2.000€ and return it to authorities", while in the negative condition, the dishonest act story "One more corruption case: now in Social Security". The portrayal was designed to induce a corresponding positive and negative mood in participants, depending on the case presented.

In the control condition, no piece of news was presented.

Following the completion of the survey, the experimental groups were presented with a second booklet, modeled after the news reading, containing the dependent measures. In this task, they expressed their judgements and interpretations of behaviors of other people, in two different sets of questions (adapted from Gino et al., 2010), regarding the daily routine.

e) Measures

Control measures: The induced mood's effect on people served as the manipulation check. It was measured to verify the effectiveness of the induced mood's manipulation.

Affective mood: Participants expressed their agreement with various statements about their beliefs, on a 7-point Likert-scale of agreement (1 = completely disagree, 7 = completely agree), measuring the affective mood (see Table 2). The first statement clearly tested how good people felt, i.e., the mood they are in (the priming effect). Following it, the statements about one's belief about others have the focus on other people rather than in ourselves (which is in line with the second part of the experience, when estimating subsequent judgements). These items were averaged to an affective mood score (Cronbach's α = .60).

Questions in the Manipulation Check
"This piece of news makes me feel well." "I believe in the good of people." "I have hope in humanity."
Note: Participants rated their agreement with each item on a 7-point scale of ranging from 1 (*completely disagree*) to 7 (*completely agree*).

Table 2: Questions contained in the manipulation check/affective mood.

Dependent measures:

Probability of ethically questionable behavior: After the induced mood manipulation, they were asked them to think about the people they know in general and give their opinion about the probability (1 = not probable at all, 7 = very probable) that people would engage in each of eight ethically questionable behaviors, (see Appendix 1, set A). The items were averaged to a probability of ethically questionable behavior score (Cronbach's α = .88).

Probability of lies: Participants were also asked to give an opinion about the probability (1=not probable at all, 7=very probable) that people would not be truthful in six hypothetical situations (see Appendix 1, set B). The items were averaged to a probability of lies score (Cronbach's α = .84).

Results

a) Affective mood: As expected, the stories presented to the experimental groups were judged more positively vs negatively, depending on the positive vs negative mood induced. The manipulation check showed that the induction worked. A t-test for independent samples on affective mood showed a statistically significant effect, $t(106) = 7.328$, $p < .001$, whereby participants reported a better feeling state in the positive condition ($M = 5.71$, $SD = 0.95$) than in the negative condition ($M = 4.22$, $SD = 1.17$) (Field & Hole, 2003; Statistics help for students, 2008b). These results support the idea that our manipulation was successful, given that the type of news shown to participants led them to perceive the world as a better (or worse) place.

b) Probabilities estimates: In the second part of the questionnaire, all probabilities estimates were subjected to A-Nova two-way independent-measures, along with t-tests, to increase the generality of findings and reveal the boundaries of the effect in question. By comparing each of the two experimental groups to the control group, it was easier to assess the size of the effects of the different manipulations of the independent variable.

Probability of ethically questionable behaviors: A t-test for independent samples on probability of ethically questionable behaviors showed a statistically significant effect of induced mood between the negative and control condition, $t(106) = -2.017$, $p = .046$. Participants believed people they knew to be more probable to behave dishonestly in the negative ($M = 3.56$, $SD = 1.33$) than in the control condition ($M = 4.09$, $SD = 1.34$). No further significant effects were found between positive and negative, $t(106) = -0.856$, $p = .394$ or between positive and control, $t(110) = 1.125$, $p = .263$. These results suggest that people are significantly

influenced by negative news, being more probable for them to believe that people will engage in misconducts, comparing to absence of any news.

Probability of lies: Regarding probabilities of lies, t-tests for independent samples revealed no statistically significant effects of induced mood across all conditions, specifically between the between the control and negative condition, $t(106) = -.279$, $p = .780$; between positive and control condition, $t(110) = -.605$, $p = .547$; and between positive and negative condition, $t(106) = -.894$, $p = .373$. These results suggest that when evaluating probabilities of others to deceive and give common excuses, people are not significantly influenced by any kind of news.

c) Conclusion: Results revealed that, when in a different mood, participants can have modified interpretations of other people's dishonest behaviors. T-tests made the analysis more informative, since they contained significant differences in Set A, between negative and neutral moods, and no significant differences between positive/neutral or positive/negative moods in Set A or B. The statistics' analysis for neutral and negative moods are represented on Table 3.

In short, the results indicate that the impact of the news on behavior is mediated by feeling states – the moods - which prime unethical interpretations and judgements. The reading of different news causes people to feel a positive or negative mood, and these feeling states may drive unethical behavior' perceptions in some domains. Besides, negative mood induced a larger effect for some estimates of dishonest behaviors, a pattern confirmed by post hoc comparisons.

Probabilities estimates	Mood			T-Test
	+	neutral	-	(neutral/-)
Probability of ethically questionable behaviors	3,85	4.09	3.56	t(106) = -2.017, p = .046
Probability of lies	3,98	4,13	4,20	t(106) = -.279, p = .780

Table 3: Probabilities estimates: participants' means (on a 7-point scale of probability) and tests of the between-condition differences.

Discussion

Due to the experimental manipulations of mood, we observed that honest news primed a generally positive feeling; and dishonest news, did not only prime a generally negative feeling, but also led individuals to evaluate the morality of others as less ethical, comparing to absence of any news. The pattern of results suggest that feelings states – moods – have mediated the effect of reading news on perceptions about some of the unethical practices tested.

The results seem quite genuine and consistent with other induction methods. Wright and Bower (1992) emphasized the effect that the recall of a sad or happy situation, with a recreation of one's experienced mood, has on subjective probability judgements (concerning personal and non-personal future events).

Situations across diverse tasks, where the induction of mood is more unobtrusive have similar mood effects. For example, the use of background music, emotional films, provision of a small gift or the reading of disaster news (Wright & Bower, 1992; Johnson & Tversky, 1983).

A great deal of literature reported the complex influence of positive and negative affect on preferences, decisions and risk assessments, for as much as it is a relevant psychological process, bringing multiple implications for decision making (Han et al., 2007; Nygren et al., 1996). Johnson and Tversky (1983) embarked on a study which stressed how the reading of newspapers about tragic deaths and depressing events changes the perception of risk.

Reading about death and disasters is not emotionally indifferent. It usually elicits emotional responses such as fear, anxiety and worry, affecting and disturbing people (Johnson & Tversky, 1983). Once people read it, they experienced an incidental general state of feeling (a negative one), with a

corresponding effect upon judgements and estimations of risk frequency (Johnson & Tversky, 1983; Lerner et al., 2014). [20]

Similarly, in the current experiment, the mood induction technique consisted in reading of affect-laden stories, with no use of hypnosis (as it was the case of Wright and Bower's experience, in 1992).

The common denominator in all of these experiences is that experiencing a positive versus negative mood or emotion bias likelihood estimates and judgements for positively/negatively valenced events.

The effect happens both when the induction is more direct/evident (i.e. investigators ask people to recall a sad/happy event, inducing the corresponding mood) or indirect (i.e. investigators subtlety induce the mood, with external influences).

As a consequence, we see a link between the events and the valence of emotional states (Cavanaugh et al., 2007; DeSteno et al., 2000).

The results are consistent with most of the data reported in the dishonesty field.

Carlson et al. (1988) stated that generalized positive affect (i.e. positive mood) incite positive moral behaviors such as helping, and in Clark's 1982 studies it was also demonstrated that we tend to view others and perceive the world more favorably.

On the other hand, Leith and Baumeister revealed that generalized negative affect (i.e. negative mood) undermines moral outcomes as it results in self-

[20] DeSteno et al. (2000) have doubts concerning the valence-based approach used in Johnson and Tversky (1983) study. The authors claim for an emotion-specific effect, rather than an overall of negative emotions. They say that the emotion induced is sadness, due to the similarity of materials used in both experiences (DeSteno et al., 2000).

defeating, impeding one's ability to self-regulate (as cited in Moore & Gino, 2015).

More recently, as inspiration to this experimental design, Gino et al. (2010) discovered that counterfeit products not only tend to make us more dishonest, but also cause us to view others as less than honest[21]. So, the effects of wearing counterfeits (compared with wearing brand-name glasses) are extended beyond the self.

Over the last two decades, the broader literature, had not only suggested how people are affected by global mood, but also tried to explain the reasons behind this. Global moods have influence over processes such as thinking, associative network mechanisms or informational role of mood (Lerner & Tiedens, 2006).

Isen et al. (1982) and Nygren et al. (1996) explained the positive effect caused by one's positive mood, defending that it serves as a cue for positive thoughts and memories, which influences what comes to mind[22]. Therefore, on the process of what becomes accessible and what comes to one's mind, positive moods may cause judgments bias in the likelihoods of events in a positive way, as well as the way people go about making a decision (Isen et al., 1982, Nygren et al., 1996). The positive affective state/mood has an impact on the way people process and try to solve a question, since they adopt a strategy that seems simple. They reduce the load on working memory and the complexity of the judgement or decision task (Wright & Bower, 1992, Isen et al., 1982).

[21] Again, people are not aware of these consequences (as tested by Gino et al., 2010).

[22] As earlier discussed, the ideas and instances that more easily come to mind make people use mental shortcuts (a System 1's feature), also leading to simplifying heuristics. The availability heuristic may contribute to this specific process, as people judge the probabilities of future events by the easiness of imagination or retrieval for memory. Thus, they may influence judgement and decision making (Camerer & Loewenstein, 2004; Kahneman, 2011; Tversky & Kahneman, 1974).

The construal of the activated priming is quite automatic. It produces assimilations even when the stimuli is beyond the awareness of the individuals. The mere accessibility seems enough (Strack et al., 1988). [23]

When people are in a particular feeling state (mood), the material in the memory that is congruent with that feeling state becomes more accessible and more likely to come to mind (Clark, 1982). In fact, "what comes to mind seems relevant by default" (Clore & Shwarz, 2003, p. 299). This means that when people feel good (bad), they can activate positive (negative) feelings associated with other thoughts, spreading them. Thus, the activation primes the linked material in memory (Clark, 1982). The priming process occurs as it is settled a cognitive loop of positive or negative thoughts and associations (Carlson et al., 1988).

In this experiment, positive and negative mood induced by the news focused attention on mood-consistent aspects of the situation, inside the field of dishonesty. Then, the negative state subtly influenced some judgements, biasing in negative directions the thoughts that came to mind – a global priming effect. As a consequence, they ended up to color the judgements expressed (Wright & Bower, 1992; Clark, 1982).

Those judgements were representative of the same category as the news described in the mood-induction: dishonesty. Thereby, the effects were driven from general feelings (how good or bad people felt), which were linked to the same event circle (see also Gino et al., 2010; Johnson & Tversky, 1983). Lerner and Tiedens (2006) already defended the valence effect of mood in estimates for similarly valenced events.

The priming process happens on a non-conscious level, not requiring effort or awareness, it is an automatic process. The linkage between the stimulus that

[23] The news content can activate and make a lot of issues salient in people's mind. For instance, during elections, the salience of some attributes of political candidates proved to influence judgements of public opinion (Balmas & Sheafer, 2010; Scheufele & Tewksbury, 2007).

induces the mood and the response it elicits is not either easily recognized by people (Johnson & Tversky, 1983). Also, the incidental mood does not allow them to easily realize that they are being affected.[24]

And how long does it take? For how much the effects of the feeling states occur? Maybe the priming effect act as a cue, with temporarily influence.

Cognitive psychologists have noticed that the priming in mood induction may be a specific sort of priming. One positive thought primes others, which in turn, will prime others and so forth, creating a perceptual lens in people for upcoming construals. But, due to the nature of the physiological arousal, and according to identical robust studies on mood induction, it is stated that the effects persist near 5 to 20 minutes (Wright & Bower, 1992; Clark, 1982; Lerner & Tiedens, 2006).

Additionally, in the experiment, the effect of dishonest perceptions was only significant in the negative mood condition, comparing to the neutral one. This doesn't come as a surprise. Schwarz and Clore (2003) exert that at most of the time, people's usual feelings are slightly positive, so that sad moods are more susceptible to misattribution manipulations and to deviate one from usual feelings.

Actually, many studies had predicted a more pronounced effect in positive moods than in negative, when it comes to judgmental and memory (Forgas & Bower, 1987; Nygren et al., 1996). They focused on positive moods and the recall of mood congruent information. Cavanaugh et al. (2007) and Lerner et al. (2007) admit that there's more congruency in the effects of positive emotions on judgement and decision-making, rather than in negative emotions. So, the effects obtained in this experiment theorically make sense: negative moods need more exploration (Schwarz & Clore, 2003). Historically, negative-specific emotions

[24] By not directly manipulating or inducing any specific emotion, the participants did not know if they sensed a positive or negative mood. Then, they did not provide their outcomes by the thinking in the experiment intentions. No experimenter demand effect was then produced (see Wright & Bower, 1992).

have been found to be more differentiated, with fewer inter-correlations among appraisals.[25]

So, when one is in a positive/negative feeling state, positive/negative aspects are more likely to come to one's mind, resulting in mood-congruent judgements (Schwarz, 2010). The feeling state sends important signals to potential moral issues, which may direct people towards ethical behavior, constraining unethical behavior (Moore & Gino, 2015).

Similarly to religious and other kinds of reminders, an honest described behavior may act as a symbol of awareness. Ariely (2012) had already proved the reaction caused by strong symbols, reminder clues or resetting approaches. When the issue is news, people are also induced in a state more syntonized with honesty. So, the "reminder" effect may explain the results. Honest acts reported in the news discreetly made people recall ethical standards, an explanation that is accordant to Ariely's (2012) findings.

The author demonstrated there's no need to be religious or to hold strong beliefs to feel the positive effects of small reminders. A simple clue seems sufficient (remember the results achieved by the mere salience of an answer key, an experiment realized in Ariely, 2012).

Our vision of the world was proved to be enhanced, in spite of not causing people to underestimate the likelihoods of dishonesty behaviors. But maybe the dishonesty per si, can diminish as well, which opens doors for further investigation.

Here, there is no disadvantage of time: the effect is quite subtle and occurs in a short-time, in a daily basis, unbeknownst to the individual.

[25] Lerner et al. (2007) state this is a research lacuna. Fortunately, more work on the differences among positive emotions is coming out. The advances will allow an extent of the appraisal-tendency framework and an enrichment of the consequences of discrete positive emotions (Cavanaugh et al., 2007; Lerner et al., 2007).

Alternatively, in the dishonest described behavior, the negative mood carryover to subsequent judgments may address an alternative explanation to moral reminders. Since moral reminders lead to more honesty, maybe the opposite perspective - news about corruption and dishonest behaviors – lead to less honesty.

Here, our vision of the world was proved to be deteriorated, causing people to overestimate the likelihoods of some dishonesty behaviors, when comparing to absence of any news. The negative mood colored their view about others' behaviors, and, in a more accentuated way. Thus, their own behaviors may also be directed towards more dishonesty, blossoming future lines of research.

Conclusion and Extensions

This work allowed to draw generalizable conclusions in the understanding of individual human nature and dishonesty.

The different news primed more positively/negatively perceptions of the world. Individuals were significantly influenced by negative news, causing them to estimate greater probabilities when evaluating unethical behaviors, comparing to absence of any news.

The effects of the news on behavior and judgements is, therefore, influenced by feeling states, which prime interpretations about unethical behaviors. News induce a positive/negative mood, altering the perceptions in some dishonesty estimations. The effect is larger in the negative mood induction, which confirms the findings of previous works.

The results present both important theoretical and practical implications.

The major difficulties found were mainly in the definitions of important concepts in theory (dishonesty, affect, mood, emotions) and in the construction of the experience (inclusion of quiz or matrices tasks, similar language and news format, use of pictures, statements which do not provoke exacerbated reactions, judgements' definition).

As a limitation of research, commonly to experimental designs, the results were reproduced in this contextualized case, not being a universal truth, representative of people's response in natural settings (Field & Hole, 2003). It worked in this type of theme, in this environment, with these people and in these behaviors.

Unconscious processes can be extended to the more tiny detail, influenced by regular behaviors and objects. Little pieces of newspaper induced individuals to opposite moods, in a priming effect, and, consequently, changed in some extent their perceptions of dishonesty.

We now see how the effects of low-level general feeling states can be as pervasive as the effects of intense states of emotion, influencing thought and social behavior. Depending on the frequency of the mood induction, the effects can even be quite pervasive (Isen et al., 1982).

This is an opportunity to explore. Different dispositions can now be made in business environments, managing one's mood to create a positive organizational environment, making the concepts more accessible and triggering activation of information within our brain. The purpose is, to, lately and bit by bit, deliver better judgements and decisions, possibly dampening unethical behaviors, even if it is just simple little daily acts. Actually, the perceptions used in the experiment were about daily ethically questionable behaviors. Not large scandals or amounts.

Cavanaugh et al. (2007) stated possibilities that may apply to business culture: music, displays, conversations. This reality is present in marketing, in which there's the desired invoke of positive/negative experiences. So why can't the message pass through news? The simple arrangement and restructuring of environments and content of papers, articles or newspaper may change our behavior and the way we view others around us.

Hence, literature had already evidenced how business climates prompt people to selfish decisions and to deal with one's self-concept. So, it is possible to design business environments and stimulus to influence individual's incidental moods, and, by doing so, achieve better behaviors and outcomes. My hope is to continue motivating further research to support moral workplace behavior.

For further investigation, resetting approaches applied in business industry may expand the literature results. A confessing private mechanism could release people from lying, cleaning one's mind and opening new pages, which possibly leads to more positive evaluations of their own or other's moral behaviors.

References

Ariely, D. (2012). *The Honest Truth About Dishonesty*. London, England: Harper Collins.

Ariely, D. (2016, January 19). Mental depletion complicates financial decisions for the poor. [Web log post]. Retrieved from http://www.pbs.org/newshour/making-sense/mental-depletion-complicates-financial-decisions-for-the-poor/

Balmas, M. & Sheafer, T. (2010). Candidate Image in election campaigns: Attribute agenda setting, affective priming, and voting intentions. *International Journal of Public Opinion Research*, 22 (2), 204-229.

Biography. (2015). True stories about notable people. Retrieved from http://www.biography.com/people/gary-becker-9204157

Business Dictionary. (2016). Business glossary with over 20000 terms. Retrieved from http://www.businessdictionary.com/definition/normative-model.html

Britannica. (2014, August 25). General knowledge english-language encyclopedia. Retrieved from http://www.britannica.com/biography/Vilfredo-Pareto

Britannica. (2015). General knowledge english-language encyclopedia. Retrieved from http://www.britannica.com/topic/rational-choice-theory

Broadly. (2015, October 12). New Study Reveals No One Likes Angry Women, Angry Men Still Beloved. [Web log post]. Retrieved from https://broadly.vice.com/en_us/article/new-study-reveals-no-one-likes-angry-women-angry-men-still-beloved

Camerer, F. C. (2005, August). *Behavioral Economics*. Paper presented at World Congress of the Econometric Society. London, England, 18-24.

Camerer, F. C. & Loewenstein, G. (2004). Behavioral economics: past, present, future. In C. Camerer, G. Loewenstein & M. Rabin (Eds.), *Advances in Behavioral Economics* (pp. 3–51). Princeton, NJ: Princeton University Press.

Carlson, M., Charlin, V., & Miller, N. (1988). Positive mood and helping behavior: A test of six hypotheses. *Journal of Personality and Social Psychology*, 55(2), 211-229.

Cavanaugh, L. A., Bettman, J. R., Luce, M. F., & Payne, J. W. (2007). Appraising the appraisal-tendency framework. *Journal of Consumer Psychology*, 17(3), 169–173.

Clark, M. S. (1982). A role for arousal in the link between feeling states, judgments, and behavior. In M. S. Clark & S. T. Fiske (Eds.), *Affect and cognition: The 17th Annual Carnegie Symposium on cognition* (pp. 263-290). Hillsdale, NJ: Erlbaum.

Collins, J. (2015, February 11). Charts that don't seem quite right – organ donation edition. [Web log post]. Retrieved from https://jasoncollins.org/2015/02/11/charts-that-dont-seem-quite-right-organ-donation-edition/

DeSteno, D., Petty, R. E., Wegener, D. T., & Rucker, D. D. (2000). Beyond valence in the perception of likelihood: the role of emotion specificity. *Journal of Personality and Social Psychology*, 78(3), 397–416.

Field, A. P., & Hole, G. J. (2003). *How to Design and Report Experiments.* London, England: Sage Publications.

Forgas, J. P. (1995). Mood and judgment: The Affect Infusion Model (AIM). *Psychological Bulletin*, 117(1), 39-66.

Forgas, J. P. & Bower, G. H. (1987). Mood Effects on Person-Perception Judgments. *Journal of Personality and Social Psychology*, 53(1), 53-60.

Frankish, K. (2010). Dual-Process and Dual-System Theories of Reasoning. *Philosophy Compass*, 5/10, 914–926.

Frankish, K. & Evans, J. St B. T. (2009). The duality of mind: An historical perspective. In K. Frankish & Evans, J. St B. T. (Eds.), *In Two Minds: Dual Processes and Beyond* (pp. 1-29). Oxford, England: Oxford University Press.

Gino, F., Norton M. I. & Ariely, D. (2010). The Counterfeit Self: The Deceptive Costs of Faking It. *Psychological Science*, 21(5), 712– 720.

Han, S., Lerner, J. S., & Keltner, D. (2007). Feelings and consumer decision making: The appraisal-tendency framework. Journal of Consumer Psychology, 17(3), 158–168.

Isen, A. M., Means, B., Patrick, R., & Nowicki, G. (1982). Some factors influencing decision-making strategy and risk taking. In M. S. Clark & S. T. Fiske (Eds.), *Affect and cognition: The 17th Annual Carnegie Symposium on cognition* (pp. 243-262). Hillsdale, NJ: Erlbaum.

Johnson, E. J., & Goldstein, D. G. (2004). Defaults and donation decisions. *Transplantation*, 78: 1713–16.

Johnson, E. J., & Tversky, A. (1983). Affect, Generalization, and the Perception of Risk. *Journal of Personality and Social Psychology,* 45(1), 20-31.

Kahneman, D. (2011). *Thinking, fast and slow*. New York, USA: Farrar, Straus and Giroux.

Lerner, J. S., & Tiedens, L. Z. (2006). Portrait of the angry decision maker: How appraisal tendencies shape anger's influence on cognition. *Journal of Behavioral Decision Making*, 19(2), 115–137.

Lerner, J. S., Han S., & Keltner, D. (2007). Feelings and Consumer Decision Making: Extending the Appraisal-Tendency Framework. *Journal of Consumer Psychology*, 17(3), 184–187.

Lerner, J. S., Li, Y., Valdesolo, P., & Kassam, K.S. (2014). Emotion and decision making. *Annual Review of Psychology,* 66: 33.1–33.25.

Monks, R. A. G., & Minow, N. (2011). *Corporate governance* (5th ed.). Retrieved from http://www.books24x7.com .

Moore, C., & Gino, F. (2015). Approach, Ability, Aftermath: A psychological process framework of unethical behavior at work. *The Academy of Management Annals*, 9:1, 235-289.

Moore, B. S., & Isen, A. M. (1990). Affect and social behavior. In B. S. Moore & A. M. Isen (Eds.), *Affect and social behavior* (pp. 1-21). Cambridge, UK: Cambridge University Press.

Nygren, T. E., Isen, A. M., Taylor, P. J., & Dulin, J. (1996). The influence of positive affect on the decision rule in risk situations: Focus on outcome (and especially avoidance of loss) rather than probability. *Organizational Behavior and Human Decision Processes*, 66(1), 59–72.

Oxford Dictionaries. (2015). Large free online dictionary of English language, published by the Oxford University Press. Retrieved from http://www.oxforddictionaries.com/definition/english/dishonest

Scheufele, D. A., & Tewksbury, D. (2007). Framing, agenda setting, and priming: The evolution of three media effects models. *Journal of Communication*, 57, 9-20.

Schwarz, N. (2010). Feelings-as-tnformation theory. In P. Van Lange, A. Kruglanski, & E. T. Higgins (Eds.), *Handbook of theories of social psychology* (pp. 289-308). Thousand Oaks, CA: Sage

Schwarz, N., & Clore, G. L. (2003). Mood as Information: 20 Years Later. *Psychological Inquiry*, 14, 296–303.

Simply Psychology. (2008). Psychological articles and theories for students. Retrieved from http://www.simplypsychology.org/likert-scale.html

Slovic, P., Finucane, M. L., Peters, E., & MacGregor, D. G. (2007). Rational actors or rational fools: implications of the affect heuristic for behavioral economics. *The Journal of Socio-Economics*, 31(4), 329–342.

Stanford Encyclopedia of Philosophy. (2012, December 12). Online encyclopedia of philosophy created and maintained by Stanford University. Retrieved from http://plato.stanford.edu/entries/ethics-deontological/

Statistics help for students. (2008a). How do I report a 1-way between subjects ANOVA in APA style? Retrieved from http://statistics-help-for-students.com/How_do_I_report_a_1_way_between_subjects_ANOVA_in_APA_style.htm#.Vwm-fvkrLIV

Statistics help for students. (2008b). How do I report independent samples T-test data in APA style? Retrieved from http://statistics-help-for-students.com/How_do_I_report_independent_samples_T_test_data_in_APA_style.htm#.Vv22NvkrLIV

Strack, F., Martin, L. L., & Schwarz, N. (1988). Priming and communication: Social determinants of information use in judgments of life satisfaction. *European Journal of Social Psychology*, 18, 429-442.

Thaler, R. H., & Sunstein, C. R. (2008). *Nudge: Improving decisions about health, wealth, and happiness*. New Haven, Conn: Yale University Press.

The Economist. (2013, November 1). World news, politics, business, finance, science, technology and the connections between them. Retrieved from http://www.economist.com/blogs/freeexchange/2013/11/economic-history

Tversky, A. & Kahneman, D. (1974). Judgment under uncertainty: Heuristics and biases. *Science*, 185(4157), 1124-1131.

Villeval, M. C. (2014). Professional identity can increase dishonesty. *Nature*, 516, 48-49

Wright, W. F., & Bower, G. H. (1992). Mood Effects on Subjective Probability Assessment, *Organizational Behavior and Human Decision Processes*, 52, 276-291

Yap, A. J., Wazlawek, A. S., Lucas, B. J., Cuddy, A. J. C., & Carney, D. R. (2013). The Ergonomics of Dishonesty: The Effect of Incidental Posture on Stealing, Cheating, and Traffic Violations. *Psychological Science*, 24, 2281–2289

Appendices

Set A: Please think of people you know and state how likely they are to engage in the following behaviors. 1 – Copy by a colleague on an exam. 2- Inflate a business expense report. 3 - Tell the supervisor that progress has been made on a project, when none has been made at all. 4 – Take home office supplies from work (e.g.: pen, eraser). 5 - Lie to an insurance company about the value of goods that were damaged. 6 - Buy a garment, wear it, and return it. 7- Justificate to the boss that the reason for being late was the traffic, when it was 20 min more in bed. 8 - Lie to a partner about the number of sex partners in the past. Set B: Please read the following sentences and evaluate the likelihood that each of them is a lie. 1 - Sorry I'm late, the traffic was terrible. 2- My grades were always very high. 3 - It was good meeting you, let's have lunch sometime. 4 - Sure, I'll start working on that today. 5 - I thought I already sent that e-mail out, I am sure I did. 6 - Yes, he was with me all night and there were no problems.
Note: Participants rated the probability of each item on a 7-point scale of probability ranging from 1 (*not probable at all*) to 7 (*very probable*). This is an adaption of the experience realized by Gino et al. (2010).

Appendix 1: Questions contained in the two sets of the experiment (interpretation of other's behaviors).